

Statement on FEMA Action to Limit NFIP Operations

WASHINGTON (December 26, 2018)—The American Insurance Association, The Council of Insurance Agents & Brokers, Independent Insurance Agents & Brokers of America, National Association of Mutual Insurance Companies, and the Property Casualty Insurers Association of America issue the following joint statement:

Today, the Federal Emergency Management Agency (FEMA) announced its intention to halt regular operations for the National Flood Insurance Program (NFIP) in response to the ongoing government shutdown. This decision comes despite Congress passing and the President signing legislation last week specifically intended to keep the program operating during the shutdown.

The decision to stop issuing and renewing NFIP policies for the time being is a rebuke of the clear intent of Congress and the President. The inability of FEMA to act as directed by our elected officials is disappointing.

The leadership shown by Congress to ensure that Americans in flood prone areas have continued access to flood insurance, as NFIP reforms are debated, is commendable. We stand ready to work with Congress and the Administration to find solutions to close the flood insurance gap and grow the number of property owners covered by flood insurance through the NFIP and the private market. In the meantime, we urge FEMA to rethink its decision.

The NFIP is the main source for flood insurance in the U.S., providing approximately 5 million property owners with insurance coverage. Flood insurance is also required to be maintained on federally-backed mortgages on homes and businesses in certain areas. The NFIP makes insurance policies available to property owners in over 20,000 communities that enforce floodplain management standards.