



U.S. REPRESENTATIVE DENNIS A. ROSS

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Ross Supports Flood Insurance Bill

Continues to Call for Private Market Involvement to Benefit Homeowners and Taxpayers

WASHINGTON , Mar 4 | [Katie Hughes](#) | [0 comments](#)

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U.S. Rep. Dennis Ross (FL-15) voted in support of H.R. 3370, the Homeowner Flood Insurance Affordability Act. This bill will make flood insurance more sustainable and affordable for homeowners and more responsible to taxpayers.

“Today, I voted to hold FEMA accountable to communities, increase FEMA’s transparency to homeowners, and help protect taxpayers,” said Ross.

“While we’ve made progress, our work is far from over. In order to fully protect both homeowners and taxpayers, we need to provide an opportunity for the private market to get involved in the selling of flood insurance.

“Right now, the NFIP is really the only game in town, leaving homeowners with one choice and one price. The private market can take on more risk without putting taxpayers on the hook. Private insurance companies can offer homeowners more options and more affordable policies that the government cannot. While this bill takes a small step in the development of a robust private market, I remain committed to working on long-term solutions that will benefit homeowners and taxpayers across Florida and across the country.”

In 1968, Congress created the National Flood Insurance Program (NFIP) and subsidized the insurance rates using taxpayer dollars to encourage homeowners to purchase flood insurance. Due to these heavily subsidized rates and the increasing frequency of severe storms, the NFIP is currently \$24 billion in debt. This debt could prevent them from paying out future claims to policyholders.

To address these issues, Congress passed the Biggert-Waters Flood Insurance Reform Act of 2012 which would phase-in actuarially sound rates. Unfortunately, this led to some policyholders seeing immediate exorbitant rate increases which financially threatened families across the country and dampened an already fragile housing market.

Key aspects of H.R. 3370, the Homeowner Flood Insurance Affordability Act as voted on today:

- **Reinstates grandfathering of rates** – Homeowners who built their homes to code under an existing map and played by the rules won’t be unfairly penalized by the government changing the rules years later.



o Provides certainty to real estate markets.

• **Removes home sale rate increase trigger**—Homeowners won't suffer due to collapse in home value and inability to sell their home; forces NFIP's rate increase to occur at a reasonable rate over time, no matter how many times a home changes owners.

• **Protection for homeowners affected by information gap after passage of Biggert-Waters** —Provides a refund for those who had limited access to knowledge about substantial rate increases on older homes.

• **Requires FEMA to provide more mitigation options for homeowners and communities**

• **Protects taxpayers from future NFIP insolvency**--Collects surcharges on all policies to be directed to the Reserve Fund, a backstop for catastrophic events.

• **Strengthens accountability and transparency of NFIP**—Requires FEMA to make monthly reports on transactions of the Reserve Fund; allows communities to qualify for reimbursements in the event of successful map appeals; and creates a Flood Insurance Advocate in FEMA to help homeowners and communities understand rate determinations and mapping.

• **Protects the spirit of necessary reforms**—Requires that FEMA disclose to homeowners the full risk of the properties, regardless of their current level of subsidy; requires that FEMA report on the feasibility of publicly releasing property-level and claims data so that the private market has the information it needs to get in the game.

Background:

• The National Flood Insurance Program (NFIP) is \$24 billion in debt due to the taxpayer-subsidized rates and the increasing frequency of severe storms such as Hurricanes Katrina, Ivan, and Sandy. The NFIP collected \$3.3 billion last year in premiums from its policyholders.

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