

Press Releases

Rep. Royce Calls on House to Pass Bipartisan Reforms to Avoid a Lapse of Flood Insurance Program

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Click on the video above to watch Rep. Royce's remarks from the House floor on reforming the National Flood Insurance Program (NFIP) this past Tuesday.

WASHINGTON, D.C. — This week, Representative Ed Royce (R-CA) spoke on the House floor in support of bipartisan reforms that will extend the National Flood Insurance Program (NFIP) which is currently set to lapse on July 31, 2018.

Below is Representative Royce's statement as prepared for delivery:

“Mr. Speaker, we stand here today doing what we have done 38 times since 1998. Passing an extension of the National Flood Insurance Program without much needed reforms.

This is unacceptable.

Subsidized flood insurance represents a moral hazard. We tell Americans that if you buy flood insurance from Uncle Sam, no matter how many times your house floods, we will give you money to rebuild it. We haven't worked to decrease moral hazard; rather we have embraced and celebrated it.

We make it more difficult for people to move than rebuild. We fail to encourage communities to mitigate flood risk. And we continue to build in high-risk areas. The clearest sign of moral hazard is the number of repeatedly flooded properties that are rebuilt with little deference to mitigation.

The examples are staggering. A \$90,000 home in Missouri flooded 34 times at a cost of more than \$600,000. A \$56,000 home in Louisiana flooded more than 40 times at a cost of \$430,000. And a \$72,000 home in Texas – that flooded again last year – costing taxpayers over \$1 million in payouts.

They have another word for this, Mr. Speaker, ‘insanity.’

I came to the Floor, today, hoping to support a bill, Mr. Blumenauer and I authored, that would have extended the flood program with – what the Wall Street Journal called – ‘[de minimis policy changes... that have broad bipartisan support.](#)’ Reforms that would address the fact, outlined by the Journal, that ‘Fewer than 2% of five million policies have absorbed more than \$8 billion in payments.’

That is not the bill before us. Unfortunately, I oppose this ‘can-kicking’ exercise and urge my colleagues to do the same.”