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# NEWS RELEASE

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## **Risk Professionals Urge Congress to Renew and Improve Nation's Flood Insurance Framework**

**WASHINGTON**—Flood risk is a reality for millions of Americans, but without congressional action by Sept. 30, the National Flood Insurance Program (NFIP) will expire. With time for reauthorizing the program running short, the American Academy of Actuaries is urging Congress to focus on renewing and improving the nation's flood insurance framework that protects against this often expensive and sometimes catastrophic peril.

“From a public interest standpoint, there are two essential tasks facing lawmakers: first, renewing the program before a lapse causes disruptions; and second, improving the flood insurance framework and not just extending it in its current form,” said Academy Vice President of Casualty Rade Musulin.

On Aug. 23, the Academy's Casualty Practice Council sent a [letter](#) to the Senate Committee on Banking, Housing, and Urban Affairs, which may consider a reauthorization bill after the Senate reconvenes in September. The letter urges consideration of NFIP improvements that:

- Encourage growth of the private flood insurance market by making clear that private market insurance will satisfy mortgage lending requirements and by sharing NFIP historical flood loss data with private insurers.
- Protect against the creation of artificial price disparities between the NFIP and privately issued policies.
- Realistically address the NFIP's \$24.6 billion debt and the need to plan financially to manage future losses from mega-storms.
- Take steps to reduce future storm damage through expanded risk mitigation.
- Modernize flood mapping to reflect technological improvements and current insurance practices.

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- Account for special conditions and observed differences affecting urban multifamily properties and repetitive loss properties.
- Anticipate the physical effects of rising sea level and its likely financial impact on the NFIP, particularly with regard to how the NFIP informs building code and land use decisions.

In April 2017, the Academy's Flood Insurance Work Group published the comprehensive public policy report, [\*National Flood Insurance Program: Challenges and Solutions\*](#). It is available on the Academy website at [actuary.org](http://actuary.org).

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The American Academy of Actuaries is a 19,000-member professional association whose mission is to serve the public and the U.S. actuarial profession. For more than 50 years, the Academy has assisted public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.