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# NEWS RELEASE

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## **Whether to Amend and Extend: National Flood Insurance Program Reauthorization as an Opportunity for Reform**

**WASHINGTON**—August typically marks not only the start of the peak of hurricane season but is also the time during which Congress recesses for its monthlong district/state work period. When Congress reconvenes in September, it will immediately face whether and how to reauthorize the National Flood Insurance Program (NFIP), which is currently set to sunset on Sept. 30.

“An active hurricane season like the one that this year’s is shaping up to be brings flood risk to the forefront of many people’s minds, and ensuring that flood insurance remains available is vital,” said the American Academy of Actuaries’ Senior Casualty Fellow Rich Gibson. “Reauthorization of the NFIP offers an opportunity for Congress not only to extend the program, but also to consider reform options to expand coverage, better align the risks and costs of flood insurance, and address the NFIP’s debt and financing,” Gibson said.

A June 2020 *Essential Elements* paper from the Academy updated for storm losses through 2019, “[Plugging Holes in U.S. Flood Insurance](#),” noted that NFIP insurance premiums paid by property owners in flood-prone areas are not expected to be enough to both cover future insurance claims and retire the NFIP’s debt, which stood at \$20.5 billion as of December 2019. A subsequent analysis by the General Accountability Office reported the debt remained at that level as of March 2020.

The Academy outlines several possible reform options in its monograph, [The National Flood Insurance Program: Challenges and Solutions](#), including: revising the financing of mega-storm losses; adjusting insurance premiums; changing policies on properties that report multiple flood losses; expanding NFIP coverage so more properties in flood-prone areas are insured; improving flood maps; and expanding the private flood insurance marketplace.

The Academy also offers insights on climate risk, including heavy rain, high wind, and sea level, through its jointly sponsored [Actuaries Climate Index](#) and its research on the [Actuaries Climate Risk Index](#).

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Learn more about the Academy’s policy work on flood risk under the public policy tab at [actuary.org](https://www.actuary.org).

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