

Flood Insurance Rate Delay — A Likely Decision

There is a big push in Congress to delay the rate increases required by the flood insurance reforming Biggert-Waters Act of 2012. It changed aspects of the National Flood Insurance Program (NFIP) and is designed to help it get out of debt. One way to do that is to require people to pay flood insurance prices that are actuarially sound.



Sen. Mary Landrieu

The leader of the movement to delay those rate increases is Louisiana Democrat Sen. Mary Landrieu. Changes she is pushing are likely to happen.

Landrieu convinced the Senate Appropriations Committee to vote for a one-year delay in a provision in the law that mandates phased-in rate increases for grandfathered properties. The change was inserted in a budget bill for the Department of Homeland Security.

A similar change has already passed the House. However, it passed on the change in a spending bill.

The Federal Emergency Management Agency (FEMA) manages the NFIP. One of its officials said the language — should it become law — will have no effect since the NFIP uses premium dollars to implement Biggert-Waters and not appropriations. In the month since that statement, FEMA has back-peddled.

Reliable sources tell PIA National that FEMA now believes the language would suspend implementation of Section 207 for one-year.

Pressure to delay rate increases mandated in the Biggert-Waters Act is coming from residents of coastal areas who are constantly affected by storms. Much of the pressure is from residents of the Mid-Atlantic coast where Superstorm Sandy hit last year and the Gulf Coast, where Hurricane Katrina struck in 2005.