



# Help Protect Your Constituents Through Flood Insurance

2016

## What Agents Do

Insurance agents play a vital role in serving the flood insurance needs of consumers. PIA agent's help consumers better understand their risks of flooding events and the risk management options available to them. Agents are often the face of the NFIP and the first people policyholders turn to when they have questions on their policy, how to file a claim and how to purchase the right coverage. PIA supports the NFIP as it provides critical support to those affected by floods.

## The Issue: Ensuring a Stable and Efficient Program

The current NFIP debt of \$23 billion puts the future of the program at risk and is primarily the result of the two extraordinary mega-events, 2005's Hurricane Katrina and 2012's Superstorm Sandy. Risk-based rates are essential for putting the NFIP on the path to fiscal stability, but they must be implemented gradually over time with clear and frequent communication from FEMA. Otherwise, consumers will be left bewildered by sudden increases in their premiums. PIA members work diligently to improve the NFIP's efficiency, effectiveness, and stability. PIA continues to support the engagement of private sector insurers in offering flood insurance policies and endorsement coverages. Opportunities for private sector insurers are better now than they have been in the past. However, the private flood insurance market is in need of legislative solutions to create sensible options for it to grow.

## How You Can Help

- ✓ **SUPPORT a reauthorization** of the NFIP
  - That recognizes the *key role* agents play in delivering the program.
  - That brings the *gradual implementation of risk based rates*.
  - That is *long-term*, which would allow changes to be communicated to agents and consumers.

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- ✓ **PASS** the **Flood Insurance Market Parity and Modernization Act** (H.R. 2901/S. 1679) introduced by Reps. Dennis Ross (R-FL) and Patrick Murphy (D-FL) and Senators Dean Heller (R-NV) and Jon Tester (D-MT).
  - This legislation *defines private flood insurance* as a policy that provides flood insurance coverage issued by an insurance company that is licensed and approved by the state insurance regulator.
  - Further, the bill ensures that *private flood insurance can be used to satisfy the NFIP's continuous coverage requirement*, an essential aspect of ensuring policyholders are not penalized for moving from one policy to another.
  - H.R. 2901 passed the House of Representatives on April 28, 2016. The Senate companion bill, S. 1679, awaits action.



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