

September 16, 2011

The Honorable Harry Reid
Majority Leader
U.S. Senate
Washington DC, 20510

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, DC 20510

Dear Majority Leader Reid and Minority Leader McConnell:

As a diverse coalition of taxpayer advocates, environmental organizations, insurance industry interests and others, we urge the Senate to quickly consider reauthorization and reform of the National Flood Insurance Program (NFIP). NFIP is in need of serious reform. The program is currently almost \$18 billion in debt to federal taxpayers and that amount is likely to increase as a result of recent, unprecedented flooding. Without significant reform, the NFIP will not be sustainable and American taxpayers will continue to be asked to bailout the program time and time again.

The Senate Banking Committee recently reported out a bill that makes a number of needed reforms to put the flood insurance program on sound financial footing and the House has already passed NFIP reform. We believe that the differences in the House and Senate bills can quickly be resolved; however, it is unlikely that there will be an agreement on broader reform in the next two weeks prior to the program's expiration on September 30th. If Congress is unable to conference and pass the bill by the 30th, there could be significant disruptions in the housing market and flood victims will experience unnecessary delays in flood claim processing and payments. Therefore, we urge you to quickly pass a short-term "clean" extension of the NFIP so that the program can continue while the two Chambers work out longer term reauthorization and reform.

The Senate Banking Committee bill contains positive reforms to NFIP. The bill will phase out risky, unwarranted subsidies that have undermined the financial stability of the program; will allow NFIP to purchase reinsurance to help NFIP pay future claims while protecting taxpayers from these otherwise inevitable costs; will require FEMA to ensure maps are updated and accurate so that people understand and can better prepare for their risks; and will streamline and strengthen mitigation programs to help decrease flood risks and strengthen flood-exposed communities and homes and businesses. While we believe the bill could be strengthened, the Banking Committee has taken a needed step to reforming the nation's flood insurance program and Smarter Safer joins a range of stakeholder groups in applauding this legislation. We urge the full Senate to quickly pass this needed reform to the NFIP so that the House and Senate can begin to resolve the differences and quickly get a bill to the President's desk.

We look forward to working with you on this issue and thank you for your attention.

Sincerely,
SmarterSafer
(list of Members attached)

MEMBERS

Environmental Organizations

American Rivers
Ceres
Defenders of Wildlife
Environmental Defense Fund
National Wildlife Federation
Republicans for Environmental Protection
Sierra Club

Consumer and Taxpayer Advocates

American Conservative Union
Americans for Prosperity
Americans for Tax Reform
Heartland Institute--Center on Finance, Insurance and Real Estate
Competitive Enterprise Institute

Insurer Interests

Allianz of America
Association of Bermuda Insurers and Reinsurers
Chubb
Liberty Mutual Group
National Association of Mutual Insurance Companies
Reinsurance Association of America
Swiss Re
USAA

Housing

National Low Income Housing Coalition
National Leased Housing Association

ALLIED ORGANIZATIONS

American Consumer Institute
National Fire Protection Association
Taxpayers for Common Sense