

**2014 -- H 7284**

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LC003968  
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**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2014**

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**H O U S E R E S O L U T I O N**

**RESPECTFULLY REQUESTING THE UNITED STATES CONGRESS TO PASS THE  
HOMEOWNERS FLOOD INSURANCE AFFORDABILITY ACT**

Introduced By: Representatives Kennedy, Walsh, Azzinaro, Lally, Tanzi, and Ruggiero

Date Introduced: January 30, 2014

Referred To: House Corporations

1           WHEREAS, The National Flood Insurance Act of 1968 was enacted to provide  
2 previously unavailable flood insurance protection to property owners; and

3           WHEREAS, The National Flood Insurance Program continues to provide important and  
4 necessary property coverage for home and business owners throughout parishes, counties, and  
5 communities nationwide; and

6           WHEREAS, The Biggert-Waters Flood Insurance Reform Act of 2012 was signed into  
7 law on July 6, 2012, and calls for a revision of the flood insurance rate maps; and

8           WHEREAS, The intent of the Biggert-Waters Flood Insurance Reform Act of 2012 was  
9 to relieve taxpayers from the recurring need to fund the National Flood Insurance Program  
10 through both pre-event premiums and post-event debt; and

11           WHEREAS, The Biggert-Waters Flood Insurance Reform Act of 2012 calls for an  
12 evaluation of the use of private reinsurance to protect against catastrophic losses and to stabilize  
13 the National Flood Insurance Program's results and financial position; and

14           WHEREAS, Such revised flood insurance rate maps do not include the discounts granted  
15 by the current rate maps to property owners who have taken action to mitigate property damage  
16 by installing and maintaining flood control features, in conformity with the most current federal  
17 law available to them, and in conformity with current flood insurance rate maps; and

18           WHEREAS, Countless property owners have built and purchased homes and businesses  
19 in accordance with the current flood rate insurance maps which, under the provisions of the

1 Biggert-Waters Flood Insurance Reform Act of 2012, will soon enter obsolescence; and

2 WHEREAS, The act also includes provisions, located in Section 207 of such act, that  
3 eliminate the "grandfathering" of homes that were built after the existing flood insurance rate  
4 maps in accordance with then existing laws; and

5 WHEREAS, By purchasing homes and businesses in accordance with the provisions of  
6 the former flood rate insurance maps and by investing in previously owned property to install  
7 flood mitigation features, property owners relied on their strict compliance with federal and state  
8 law to protect their purchases and investments; and

9 WHEREAS, In light of the provisions of the Biggert-Waters Flood Insurance Reform Act  
10 of 2012, the reliance on existing flood insurance rate maps that those property owners  
11 demonstrated is now to their personal and financial detriment; and

12 WHEREAS, The passage of the Biggert-Waters Flood Insurance Reform Act of 2012  
13 substantially and immediately devalued the investments made in all properties endowed with  
14 flood damage mitigation measures and to properties receiving subsidized insurance premium  
15 rates; and

16 WHEREAS, The Biggert-Waters Flood Insurance Reform Act of 2012 also includes  
17 provisions that permit the National Flood Insurance Program to increase premium rates for many  
18 policyholders; and

19 WHEREAS, The elimination of these discounts combined with the certainty of general  
20 premium rate increases will result in a premium increase of up to twenty-five percent per year for  
21 certain property owners over the next four years; and

22 WHEREAS, Under the changes to the National Flood Insurance Program caused by the  
23 Biggert-Waters Flood Insurance Reform Act of 2012, certain property owners will struggle to pay  
24 exorbitant amounts of money or will lose their flood insurance; and

25 WHEREAS, A change in the ability of property owners to insure their homes from flood  
26 damage without bearing the burden of such a violent rise in cost may lead to financial distress for  
27 residents and property owners around this nation; and

28 WHEREAS, The premium increases to the National Flood Insurance Program, as  
29 mandated by the Biggert-Waters Flood Insurance Reform Act of 2012, will affect the entire  
30 nation's real estate market and the nation's banking and mortgage industry; and

31 WHEREAS, The premium increases to communities and property owners who made  
32 their best efforts to comply with federal law by building property in accordance with soon to be  
33 outdated flood insurance rate maps will affect consumer confidence and the entire nation's  
34 economy; and

1           WHEREAS, On October 29, 2013, H.R. 3370 and SB 1610, the Homeowner Flood  
2 Insurance Affordability Act of 2013, were introduced in the respective houses of Congress to  
3 delay the implementation of certain provisions of the Biggert-Waters Flood Insurance Reform  
4 Act of 2012; and

5           WHEREAS, The Biggert-Waters Flood Insurance Reform Act of 2012 provides that an  
6 affordability study be conducted by the Federal Emergency Management Agency on the impact  
7 of rate increases, which study has not been conducted; and

8           WHEREAS, The Federal Emergency Management Agency is currently undertaking a  
9 flood risk insurance study that will entail, among other things, the development of a flood  
10 catastrophe model to enable financial analysis of the National Flood Insurance Program and a  
11 study of the availability and benefits of risk transfer through the use of private reinsurance; and

12           WHEREAS, The United States Congress should consider passage of the Homeowner  
13 Flood Insurance Affordability Act of 2013 that would delay the provisions of the Biggert-Waters  
14 Flood Insurance Reform Act of 2012 that provide for the increase of premium fees for  
15 policyholders of the National Flood Insurance Program, in order to prevent the unduly hazardous  
16 effects it will have on home and business owners who invested in property prior to the adoption  
17 of the new federal legislation and flood insurance rate maps; now, therefore be it

18           RESOLVED, That this House of Representatives hereby respectfully supports and urges  
19 the United States Congress to pass the Homeowners Flood Insurance Affordability Act currently  
20 pending before Congress as H.R. 3370 and SB 1610, which will delay the implementation of the  
21 National Flood Insurance Program changes until two years after the Federal Emergency  
22 Management Agency completes the affordability study on the impact of the rate increases; and be  
23 it further

24           RESOLVED, That this House hereby supports and urges the United States Congress and  
25 the Federal Emergency Management Agency to actively and expeditiously explore the use of  
26 private reinsurance to protect against catastrophic losses and to stabilize the National Flood  
27 Insurance Program's results and financial position; and be it further

28           RESOLVED, That the Secretary of State be and hereby is authorized and directed to  
29 transmit duly certified copies of this resolution to Rhode Island's Congressional Delegation, and  
30 to the Administrator of the Federal Emergency Management Agency.

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