

July 21, 2015

The Honorable Dennis Ross  
229 Cannon House Office Building  
Washington, D.C. 20515

Dear Representative Ross:

SmarterSafer-- a broad based coalition of taxpayer advocates, environmental groups, insurance interests, housing organizations, and mitigation advocates-- applauds your efforts to ensure that consumers can purchase flood insurance in the private market if they choose. For many years, the federal government has been the primary provider of flood coverage in the United States. The National Flood Insurance Program (NFIP) has provided critical coverage, but because of deep subsidies embedded in the program for decades, it has done so at great expense to taxpayers, it has harmed the environment, and it has provided the wrong market signals, actually encouraging people to build in harm's way.

To combat these problems, Congress made changes to rates for certain properties, slowly phasing in risk-based rates for a segment of policies and allowing private flood coverage in addition to other reforms. In Biggert-Waters, Congress made clear that private flood coverage should be permitted, and the Grimm-Waters bill did not change this commitment. Since the passage of flood reform, private insurers have started to consider offering flood policies. SmarterSafer believes this should be encouraged; Consumers should be able to choose private flood policies, potentially with terms and coverage that can be tailored to the interests of the consumer, as well as better incentives for mitigation and resiliency. In fact, private flood policies could allow property owners to purchase enough coverage to ensure they can rebuild after a storm, not constrained by NFIP limits or by the amount of the mortgage.

The Ross-Murphy and Tester-Heller bills would ensure that private flood insurance counts for purposes of the mandatory purchase requirements. SmarterSafer supports these efforts and will work to see them passed into law. The coalition is appreciative that one of the hallmarks of the US insurance regulatory system is policyholder protection, and we support private flood insurance in that context. We believe that as policies move to the private sector, Congress must look for ways to ensure that communities continue to focus on preparedness and mitigation, a requirement currently part of NFIP and one worthy of further policy action.

We look forward to working with you on this matter.

Sincerely,

SmarterSafer.org

## MEMBERS

### Environmental Organizations

American Rivers  
Center for Climate and Energy Solutions (C2ES)  
Ceres  
ConservAmerica  
Defenders of Wildlife  
Natural Resources Defense Council  
National Wildlife Federation  
Sierra Club

### Consumer and Taxpayer Advocates

Coalition to Reduce Spending  
R Street  
National Taxpayers Union  
Taxpayers for Common Sense  
Taxpayers Protection Alliance

### Insurer Interests

Allianz of America  
Association of Bermuda Insurers and Reinsurers  
The Chubb Corporation  
Liberty Mutual Group  
National Association of Mutual Insurance Companies (NAMIC)  
National Flood Determination Association  
Reinsurance Association of America  
SwissRe  
USAA

### Mitigation Interests

Natural Hazard Mitigation Association  
National Fire Protection Association

### Housing

National Housing Conference  
National Leased Housing Association

### ALLIED ORGANIZATIONS

American Consumer Institute  
Association of State Floodplain Managers  
Center for Clean Air Policy  
Friends of the Earth  
Institute for Liberty  
Property Casualty Insurers Association of America  
Union of Concerned Scientists  
Zurich