



## NATIONAL FLOOD INSURANCE PROGRAM REAUTHORIZATION (NFIP) AND RISK RATING 2.0

### MONROE COUNTY SUPPORTS THE LONG-TERM AUTHORIZATION OF NFIP THAT PROTECTS AFFORDABILITY BY LOWERING THE CAP ON ANNUAL PREMIUMS AS A “GUARD RAIL” AGAINST RISK RATING 2.0 RATE INCREASES.

The National Flood Insurance Program (NFIP) provides insurance to property owners who may be at risk for flooding. The federal program must be authorized every five years. The program’s authorization expired on September 30, 2017, but continues via short-term extensions. The current extension expires in September 2022.

The State of Florida has 1.7M policyholders, more than any other state, with \$430B in insured value. Monroe County has 30,268 policyholders, with over \$7B in insured value.

Coastal communities generate **80% of the State of Florida’s GDP** and **46% of the entire national GDP**. NFIP is important because it is protective of the economic engines that coastal communities represent to the State of Florida and nationwide. Increased property insurance rates exacerbate our already high housing costs and threaten property values.

Risk Rating 2.0 will escalate premiums in flood-risk communities beyond affordability, jeopardize program participation and risk reduction, and threaten property values and local, coastal economies.

*Monroe County Board of County Commissioners supports long-term NFIP reauthorization that provides an affordable cap on annual premium increases to guard against impacts from Risk Rating 2.0, encourages meaningful mitigation efforts, and incentivizes responsible flood plain management.*

Specifically, Monroe County **supports** the following:

- Maintain focus on affordability by limiting annual increases on premiums to 10% or less for all properties.
- Expand the Increased Cost of Compliance to encourage individual policyholder mitigation.
- Increase funding and incentives for mitigation (6:1 return on investment). Authorize \$1B in new mitigation funding and/or redirect the program’s debt interest to mitigation programs.
- Make the rate-setting process more transparent.
- Reduce commissions for Write-Your-Owns.
- Encourage greater participation by those outside of the 100-year floodplain via expanded use of the Preferred Risk Policy, not elimination of PRPs because of Risk Rating 2.0.
- Strengthen enforcement responsibilities to ensure those in the floodplain have and maintain flood insurance.
- Support prohibition of the issuance of flood insurance for new development on properties in the Florida Keys that contain habitat for federally listed endangered species.

*Monroe County opposes* reforms that are detrimental to policyholders including:

- Actions that increase premiums to policyholders, such as Risk Rating 2.0.
- Maintaining the current 18% and 25% annual premium increases.
- Increases to or additional annual surcharges.
- Encouraging privatization without addressing consumer protections like affordability.
- Decreasing participation in NFIP and undermining the integrity of the program, by eliminating mandatory coverage and disallowing high value homes, and privatizing least risky properties.
- Failing to adequately fund or incentivize mitigation.