

County of Monroe

The Florida Keys



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The Honorable Carlos Gimenez
448 Cannon House Office Building
Washington, DC 20515

Dear Congressman Gimenez,

As you may know, the National Flood Insurance Program Reauthorization (NFIP Re) Act ([S.2142/H.R.4349](#)) was recently introduced by Sens. Bob Menendez (D-NJ) and Bill Cassidy (R-LA) and Reps. Clay Higgins (R-LA) and Frank Pallone (D-NJ). This bipartisan, bicameral legislation would reauthorize the NFIP for five years and implement important reforms intended to reduce insurance policy costs, invest in local flood risk mitigation projects, and establish a fairer claims process for policyholders. Monroe County supports this legislation and ask that you become a cosponsor.

The NFIP is managed by the Federal Emergency Management Agency (FEMA) and collects about \$4.6 billion in revenue from policyholders' premiums, fees, and surcharges. Since September 30, 2017, the program has been authorized by a series of short-term measures that have made no substantive changes to the program.

Additionally, the program is currently \$20 billion in debt. Under its authorization, the only means the NFIP has to pay off the debt is through the accrual of premium revenues in excess of outgoing claims — placing pressure on FEMA to raise rates as much as possible. Under current law, premium rates can be increased by up to 18 percent annually, leading to sharp price hikes for some policyholders when compounded year after year, particularly considering rate increases due to the implementation of Risk Rating 2.0.

As NFIP regulations change, Monroe County stands to be one of the most impacted counties in Florida — the County includes more than 30,000 policyholders between residential and commercial properties, with more than \$7.5 billion in insured value. With the vast majority of Monroe County property owners insured by NFIP, the cost of flood insurance is a significant component of our property values, housing costs, and cost of living. Its affordability is an important pocketbook issue for our constituents, as well as for our overall local, regional, and Statewide economies.

A new long-term reauthorization bill should incorporate provisions intended to address systemic problems with flood insurance and put the program back on solid fiscal ground while also improving policyholder affordability. Over the last year, the NFIP has lost tens of thousands of policyholders and the program could lose many more over the coming years due to Risk Rating 2.0, all at a time when flood risk is only growing.

Among other things, the NFIP Re Act of 2023 would aim to:

- Cap annual premium rate increases at nine percent, making year after year increases more palatable for policyholders;
- Provide a comprehensive means-tested voucher for millions of low- and middle-income homeowners and renters if flood insurance premium becomes prohibitively expensive;

- Increase the maximum limit for Increased Cost of Compliance coverage to better reflect the costs of rebuilding and implementing mitigation projects;
- Boost funding for flood mitigation grants and modernize mapping to identify and reduce flood risks;
- Create new oversight measures for insurance companies and vendors;
- Reform the claims process to better assist impacted policyholders.

The NFIP Re Act currently has eight Senate cosponsors and 12 House cosponsors. In order to pass this critical legislation, the bill requires additional support from both sides of the aisle. Thank you for your consideration of this request, and please let us know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Craig Cates', written in a cursive style.

Craig Cates
Monroe County Mayor