

NAR Principles for Flood Insurance Reform

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The National Flood Insurance Program (NFIP) was essential to completing approximately 486,000 home sales in 2015, according to NAR research. However, the program as currently structured is unsustainable for policyholders and taxpayers both. For these reasons, NAR supports a reformed NFIP coupled with a robust private market to offer choices and maintain access to flood insurance in all markets at all times. NAR believes:

- The NFIP must continue to offer flood insurance to provide certainty to real estate markets.
- NFIP reauthorization should be long term.
- NFIP reforms should be implemented gradually and phased in over time so property owners and markets can adjust.
- Premiums should be more accurately priced to reflect a property's specific risk.
- To minimize risk to the NFIP, communities and property owners, the federal government should offer alternatives – including buyouts, mitigation loans and grandfathering for property owners to build higher and keep rates affordable.
- Flood mapping should be done at higher resolutions and less expensive alternatives to appeal a mapping determination should be provided
- There should be strong oversight and training of the private insurance companies marketing NFIP flood insurance.
- Private flood insurance markets should be encouraged where practical, provided there are adequate consumer protections in place and private flood insurance fulfills the NFIP's continuous coverage requirements.