

NAR Principles for Flood Insurance Reform

November 29, 2022

The National Flood Insurance Program (NFIP) is essential to completing nearly a half million property sales per year according to NAR research. However, the NFIP as currently structured is unsustainable for policyholders and taxpayers alike. For these reasons, NAR supports a strengthened NFIP coupled with a robust market to offer choices and maintain access to flood insurance. NAR believes that:

- NFIP reauthorization should be long term.
- To keep rates affordable, the federal government should offer pre-disaster risk mitigation options – including guaranteed loans, grants and buyouts for property owners to build stronger or relocate to higher ground.
- Private flood insurance options should also be encouraged where cost effective, provided that the NFIP remains a viable option.
- Premiums should continue to be accurately priced to the property specific risk while gradually phasing in full-risk rates for existing owners over time.
- Flood mapping should be done at higher resolutions with a less expensive, more streamlined appeals process.
- There should be an adequately funded Homeowner's Advocate at the NFIP to directly assist policy holders with flood insurance-related disputes.

