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Breaking News: On Eve of Vote, White House Formally Opposes Bill To Add Wind Coverage to National Flood Insurance Program

The Proposal Would Cost Taxpayers Billions, Endanger the Environment

(Washington, DC) – The White House issued a formal Statement of Administration Policy this afternoon in opposition to HR 1264, a proposal to expand the National Flood Insurance Program (NFIP) to include coverage for windstorms. SmarterSafer.org has urged lawmakers to oppose the legislation, warning that the legislation could cost taxpayers billions and negatively impact the environment. The full SAP is below:

“The Administration recognizes that the availability of hazard insurance is a key element in the ability of individuals and communities to recover from disasters. However, the Administration opposes House passage of H.R. 1264, which would expand the Federal Government’s role to provide windstorm insurance that is already readily available in the private sector and through State insurance plans without Federal aid. Although the Administration believes in strengthening the National Flood Insurance Program (NFIP) for the benefit of policyholders and taxpayers, the central rationale for the program – the difficulty of obtaining flood insurance through either the private market or State programs – simply does not apply to windstorm insurance in most markets. Moreover, because the legislation appropriately requires that a Federal wind insurance program be actuarially sound, the insurance offered through a Federal program may not be any less expensive, and could be more expensive, than what is currently offered by private insurers and/or by States. As a result, expanding NFIP to cover windstorm insurance would unnecessarily duplicate available insurance products and could “crowd out” such products where they are offered, while offering little to no savings to the American public. At a time when the NFIP is already facing serious challenges, the Administration cannot support such an expansion.”

Both Secretary of Homeland Security Janet Napolitano and FEMA Administrator Craig Fugate have already come out against expanding NFIP to include wind. In addition to costing taxpayers an enormous amount of money, expanding NFIP to include wind would damage the environment by subsidizing development in environmentally sensitive areas.

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