

**Statement of Senator Jim Bunning**  
**Reauthorization of the National Flood Insurance Program**  
**September 22, 2010**

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Mr. Chairman, thank you for holding this hearing.

One of my proudest accomplishments in the U.S. Senate was authoring the 2004 law that reauthorized the National Flood Insurance Program.

At the time, I chaired this Committee's Economic Policy Subcommittee. We worked in a bipartisan way to improve the program, including incentives for communities and homeowners to mitigate flooding risk when properties have a history of serious and repeated flood damage. And we provided long-term certainty for the program for property-owners, communities, and lenders.

Thankfully, my bill ensured that the flood insurance program was in place before the Katrina disaster hit. Unfortunately, the law I wrote expired in September of 2008, and since then, Congress has extended the program for only short periods of time.

The program has lapsed twice this year, mainly because Congress could not manage deadlines and short-term extensions were held hostage in bills that were controversial.

Last night, the Senate passed yet another extension of the flood insurance program, this time through September 30, 2011. If Congress does not complete action on it, the program will lapse again next week.

We simply cannot keep kicking the can down the road. It is not fair to property owners or to taxpayers.

There are several issues with flood insurance that are crying for reform. Many people covered by the program are not paying premiums that bear any relationship to their actual risk of flood damage, and other property owners and taxpayers are subsidizing them. Flood maps need to be updated. The program also owes \$18.8 billion to the Treasury, with interest, which is not sustainable.

The Senate passed a bipartisan reauthorization of the program in the last Congress that would make several improvements, but it died from inaction.

Reform and long-term renewal of the program is long overdue. I hope this hearing moves us closer to a more stable and rational flood insurance program.

Thank you, Mr. Chairman.