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TESTIMONY

Association of State Floodplain Managers, Inc.

before the
Subcommittee on Economic Policy
Senate Committee on Banking, Housing, and Urban Affairs

The NFIP and Repetitive Loss Properties: Issues, Strategies and Proposed Actions

presented by
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INTRODUCTION

The Association of State Floodplain Managers, Inc., and its 18 State Chapters represent over 6,500 state and local officials and other professionals who are engaged in all aspects of floodplain management and hazard mitigation, including management, engineering, planning, community development, hydrology, forecasting, emergency response, water resources, and insurance. All are concerned with working to reduce our nation's flood-related losses. Our state and local officials are the federal government's partners in implementing programs and working to achieve effectiveness in meeting our shared objectives. Many of our members are designated by their governors to coordinate the National Flood Insurance Program (NFIP). For more information on the Association, please visit <http://www.floods.org>.

The ASFPM is enthusiastic that the Committee has put consideration of NFIP reforms high on its agenda for the 108th Congress. We are appreciative of the time and attention that Representatives Bereuter, Blumenauer, and Baker have collectively paid to the issue of repetitive claims against the NFIP and how measures to reduce those claims can be put into place. We would also like to recognize the time and resources that FEMA has dedicated to the issue of repetitive loss properties, and commend their prioritization of repetitive loss properties as a significant issue.

Thank you for inviting us to offer our views on the repetitive loss property issue and recent actions taken by the Congress and FEMA to mitigate repetitive losses. The following testimony addresses:

A. The Nation's 4.4 Million Policy Holders Benefit by Addressing Repetitive Loss Properties

B. An Effective Approach to Mitigating Repetitive Losses in the Nation

- C. Reform of Existing Mitigation Insurance Will Strengthen the Repetitive Loss Legislation
- D. FEMA's Repetitive Loss Strategy
- E. Matters Related to Reauthorization of the NFIP
- F. The NFIP and the Department of Homeland Security
- G. FEMA's Map Modernization Initiative
- H. The Effectiveness and Value of the National Flood Insurance Program and FEMA's Flood Mitigation Programs

A. THE NATION'S 4.4 MILLION POLICY HOLDERS BENEFIT BY ADDRESSING REPETITIVE LOSS PROPERTIES

It is important to put the repetitive loss problem in context. While the exact number is not known, it is estimated that between 9 and 11 million buildings are in the areas we call special flood hazard areas that are shown on FEMA's Flood Insurance Rate Maps. About 4.4 million buildings both in and out of the floodplain are insured today (up from only 2 million just 9 years ago). Of those, about 40,000 are on FEMA's list of repetitively flooded properties. Nearly 10,000 have experienced four or more losses, or two or more losses which combine to exceed the building's value as reported on the flood insurance policy (FEMA uses this definition for the "Target Group"). This means that initially we are focusing attention on one-quarter of one percent of the insured buildings. But the impact is huge, since that small fraction accounts for over 25% of the NFIP's losses since 1978.

Why, then should everybody be concerned? All current and future NFIP policy holders will benefit from addressing repetitive loss properties because the pressure to raise the rates will be significantly diminished. FEMA reports that, as a larger group, all properties that have received multiple insurance claim payments account for an average of \$200 million in claims each year. This contributes significantly to the pressure to raise the rates on all types of policies and accounts for a significant factor affecting the stability of the National Flood Insurance Fund.

Although it is a simplistic assessment, if just one rate increase can be avoided, 4.4 million policies holders throughout the Nation could be able to keep in their pockets as much as \$175 million (FEMA cannot raise rates more than 10% at any time, although the typical increase is 4-8%). Estimated savings for the ten states with largest number of priority repetitive loss properties are shown in the following table. To estimate savings for other states, see the NFIP policy statistics that are online at: <http://www.fema.gov/nfip/pcstat.shtm>

FEMA's "Rep Loss Target Group" (for comparison purposes only; this Target Group is based on FEMA's current working definition, not HR 253)				
State	Estimated number of RLTG (and % of total RLTG)	Total number of policies (12/02)	Total premium collected	Savings per year for ONE avoided rate increase of 10%
LA	3,000 (25%)	375,630	\$155 mil	\$15.5 mil
TX	1,500 (13%)	459,462	\$166.8 mil	\$16.7 mil
NJ	1,000 (8%)	181,463	\$95 mil	\$9.5 mil
FL	1,000 (8%)	1,800,047	\$586.2 mil	\$58.6 mil
NC	750 (6%)	101,216	\$42.2 mil	\$4.2 mil
NY	500 (4%)	96,164	\$58.8 mil	\$5.9 mil
MO	500 (4%)	22,133	\$12.3 mil	\$1.2 mil
MS	300 (3%)	42,063	\$17.5 mil	\$1.8 mil
MA	300 (3%)	39,331	\$26.7 mil	\$2.7 mil
CA	300 (3%)	270,856	\$132.3 mil	\$13.2 mil
Total Top 10 States	9,150 (77%)	3,388,365	\$1,197.8 mil	\$119.8 mil
Total ALL States	12,000±	4,406,664	\$1,755 mil	\$175.5 mil

A Repetitive Loss strategy should be viewed as a **cost containment** initiative for the NFIP that will benefit every current and future policy holder. It makes sense for the policy holders to invest in cost effective measures that will, in short order, reduce the pressure to raise the rates.

B. AN EFFECTIVE APPROACH TO MITIGATING REPETITIVE LOSSES IN THE NATION

GENERAL COMMENTS ON REPETITIVE LOSS STRATEGIES

It must be clear that any repetitive loss strategy should fund only mitigation measures for specific properties that achieve results that are **cost effective and in the best interests of the NFIP**. For mitigation projects, benefits are defined as “damages avoided if the project is implemented.” Under this requirement, a building that has sustained several low-dollar value claims will rarely have a cost-effective solution, and thus an offer of mitigation assistance will not be made. If there is a cost effective mitigation measure, such as elevation-in-place, a property owner should be encouraged to participate. If the owner declines an offer, the rest of the policy holders should not have to bear the continued claims against the Fund.

It must also be clear that only projects that are **technically feasible** will be funded. There will be properties for which the typical approaches (acquisition or elevation) will not be possible, in which case an offer for such measures will not be made. For example there are many situations where low-cost measures can have significant benefits, such as relocating utilities out of a basement. For non-residential structures, of which there are many near the top of FEMA’s list of repetitive loss properties, a range of retrofit floodproofing options may yield significant benefits.

When a specific property cannot be mitigated in a manner that is both technically feasible

and cost effective to the NFIP, then the best mitigation is continued subsidized insurance, as anticipated by Congress when the NFIP was created in 1968. While the NFIP policy base as a whole would continue to subsidize the risk (which is the fundamental premise of insurance), at least the owners will continue to purchase flood insurance and contributes their own recovery, thus not burdening the U.S. taxpayer. The cross subsidy for these particular structures will be comparatively small.

FEMA's other mitigation programs and tools can be brought to bear to support mitigation of repetitive losses. Any new initiative can and should be designed to work in concert with existing programs to maximize effectiveness. These existing programs and tools include:

- Mitigation insurance (Increased Cost of Compliance) which is described below and is ripe for revisions;
- The Flood Mitigation Assistance Program authorized by Congress as part of the NFIP Reform Act of 1994 as Section 1366;
- The Nationwide Pre-Disaster Competitive Mitigation Program, authorized in 2000 and funded in FY2003 and FY2004 to create a nation-wide competitive grant program; and
- The post-disaster Hazard Mitigation Grant Program authorized by the Robert T. Stafford Disaster Relief and Emergency Assistance Act – but this vital funding source was proposed to be zeroed in the FY 2003 and FY2004 budget and we expect that pressure to continue (see Section H, below).

OBJECTIVES OF A REPETITIVE LOSS STRATEGY

In addition to cost containment for the NFIP and its policy holders, an effective repetitive loss strategy will, without a doubt, **reduce federal disaster assistance**, although it may take

longer to see the effects. When we relieve the pressure to raise the rates, more people will see that flood insurance is a “good buy” as the cost comes more in line with their perceived risk. This is the single most significant way to reduce that part of the federal disaster dollar that supports uninsured individuals, families, and businesses after the President declares a flood disaster. For flood-related disasters declared between 1989 and 1998, FEMA paid over \$3 billion for Individual and Family Grants (does not include SBA and other agencies, or the effects of the casualty loss deduction on tax income). For this reason, ASFPM believes it is appropriate for a repetitive loss strategy to increase funding for the basic Flood Mitigation Assistance Program and to modify the insurance mechanism called Increased Cost of Compliance. ASFPM’s proposal has been submitted to the Subcommittee.

An effective repetitive loss strategy will not place an unnecessary burden on **low-income homeowners and renters** that occupy houses in the nation’s repetitive loss areas. Often the low-income occupant simply does not have the financial ability to move elsewhere or to pay for mitigation measures. It is far too simplistic to assume that every owner is able to make a rational choice based on cost alone. In those instances where grants or offers are made to low-income homeowners and renters, we are concerned that it be done in a carefully crafted manner that networks with existing housing programs. Further, we propose that “comparable housing” be included when communities extend buyout offers to these owners.

NATIONAL REPETITIVE FLOOD LOSS MITIGATION LEGISLATION

On November 20, 2003, the House of Representatives passed the Flood Insurance Reform Act of 2003 (HR 253). We commend the House sponsors for their efforts, and believe the bill contains a number of important provisions, including:

- A framework for mitigating repetitive loss properties through a community/state oriented

program and a direct property owner program (when the state or community is unable to manage such a grant);

- A consequence that moves flood insurance policies towards actuarial rate in the event a property owner rejects an offer of mitigation;
- The flexibility to use many different types of mitigation options; and
- An appeals process.

For these reasons, the ASFPM supported the passage of HR 253 in the House. However, the ASFPM remains concerned with certain aspects of the bill and urge your consideration of revisions to address these matters. We believe the bill:

- Contains definitions, procedures, and provisions that are either too cumbersome or inconsistent with existing mitigation programs which could result in delays, confusion, and unintended consequences during implementation;
- Does not adequately integrate into the existing mitigation insurance mechanism (which could alleviate nearly all concerns about the cost share requirements for communities and property owners); and
- Modifies the basic Flood Mitigation Assistance Program which has had demonstrated success providing mitigation opportunities in many communities and which must continue unchanged.

The ASFPM feels that certain adjustments must be in the House bill to ensure that the resulting national repetitive loss mitigation legislation will be effectively implemented by FEMA, states, and communities to address our goals and objectives while also supporting community needs. The ASFPM offers the following suggestions.

- 1. Preserve Basic Flood Mitigation Assistance Program (FMA), while making some**

Modifications to Improve Effectiveness. It is important to maintain the existing FMA as the basis on which the focus on repetitive losses is built. The basic program works well and needs to continue after expiration of any new authority. However, there are some modifications that can be made to build on its effectiveness, such as: (1) Specifying that the valuation for acquisition should be based on Fair Market Value (current FMV is usually selected when flooding occurred some time in the past and homes have been repaired or appreciated in value). When a flood has just occurred, we use pre-flood FMV, but then are required to subtract certain disaster assistance payments and insurance claim payments (to avoid Duplication of Benefits). Many communities select post-flood FMV and then owners are allowed retain any disaster assistance and their insurance payments (which are determined as an estimate of cost to restore the home to pre-flood condition); (2) Eliminate the limitations on amounts to states and communities for project grants; and (3) Eliminate the requirement that in-kind contributions shall not exceed one-half the amount of the non-federal funds

2. **Define the Focus of New Programs for Priority Repetitive Loss Properties.** We recommend that the bill define “priority properties” as a subset of NFIP-insured properties that, based on available data, appear to represent opportunities to mitigate unreasonable burdens on the National Flood Insurance Fund due to multiple insurance claim payments. It is this subset of properties that will then be examined to determine whether there are reasonable, feasible and cost-effective mitigation measures. Any property that does not have such a measure should be removed from the subset and should no longer be identified as a “priority property.”

3. Authorize the **Repetitive Loss Priority Program** as a grant program to be administered as an adjunct to the Basic FMA to achieve mitigation of “priority properties.” Eligible grantees and eligible activities should be the same as those for Basic FMA, provided they address “priority properties.” The ASFPM recommends that this part of the new program be funded in the amount of \$50 million per year for six years, to be transferred to the National Flood Mitigation Fund from the National Flood Insurance Fund, and made available until expended; FEMA should be specifically directed not adjust rates/fees for offsetting income (due to the rapid cost savings expected by focusing on the top-tier of repetitive loss properties). For acquisitions, valuation should be as defined for Basic FMA, and restrictions on ownership and use of cleared land should be consistent with FEMA’s other grant programs. Finally, the program should specify that mitigation offers are valid until the state or community indicates closure of the grant (although individual properties would continue to remain eligible under the Individual Priority Property Program (next item), so an owner who initially declines an offer may yet be extended another offer).
4. Authorize the **Individual Priority Property Program** to give FEMA the authority to make grants directly to property owners, but only if states and communities do not have the capacity to manage grants. Again, eligible activities should be those defined for Basic FMA, although it is notable that FEMA is not able to take title to land and thus acquisition is not a viable option under this program. Authorized funding for the Individual Property Program should be in the amount of \$20 million per year for six years and \$10 million per year thereafter, such amounts to be available until expended; such amounts to be transferred to the National Flood Mitigation Fund from the National

Flood Insurance Fund; FEMA should be directed specifically not adjust rates/fees for offsetting income.

5. **Authorize a consequence** for owners of “priority properties” who decline mitigation offers under the Repetitive Loss Priority Program and the Individual Property Program. The consequence should be the imposition of actuarial rates (whether all at once or in a stepped process). Additionally, the consequence should be attached to the property and FEMA should create a process to formally notify owners of the consequence and their right to appeal the consequences of declining an offer of financial assistance to implement a feasible and cost-effective mitigation measure.
6. **Allow Increased Cost of Compliance (ICC)** to be used as part of the local match for the Repetitive Loss Priority Program and the Individual Property Program (please see discussion in Section C, below).
7. Require that **Privately-Owned Buildings on Leased Federal Lands** be charged full actuarial rates of flood insurance unless the federal landowner agency preserves the *quid pro quo* of the NFIP by implementing a system to review structural development and require it to be compliant with minimum NFIP standards, thereupon the structures would be charged flood insurance rates consistent with those charged in communities in good standing with the NFIP.

C. REFORM OF EXISTING MITIGATION INSURANCE WILL STRENGTHEN THE REPETITIVE LOSS LEGISLATION

The 1994 NFIP Reform Act authorized mitigation coverage as part of the standard flood insurance policy. Called ICC or “Increased Cost of Compliance,” it was touted by FEMA – and expected by others – to be one of the best tools to bring about post-flood mitigation, in part

because it is funded by a surcharge on flood insurance policies. Although FEMA increased the benefit under ICC to \$30,000 (effective May 1, 2003), in actuality, as currently administered this increase does very little to increase funding of eligible mitigation activities. The average ICC payment to support an acquisition project is on the order of \$7,000. For elevation projects the average is around \$16,000. While we appreciate that initially the agency had no experience on which to base its interpretations, much has been learned in the last five years. Currently ICC collects over \$80 million in premiums, yet not even 2% of that money is spent annually to pay ICC claims.

Every flood insurance policy on property within a mapped floodplain – even post-FIRM policies, pays something for ICC. The cost ranges from \$6 to \$75 per year (capped by statute). The upper limit is paid on pre-FIRM buildings and V Zone buildings (where open coast where wave energies and erosion are greatest). It is notable that post-FIRM buildings (built in compliance with the rules) pay for this coverage even though the chances of ever qualifying are slim. This is because Congress recognized the long-term benefits: If ICC works correctly, then every policy holder will enjoy the benefits of reduced pressure to raise the rates.

ICC is a claim, paid only if damage is triggered by a flood event and only if the damage is sufficient to meet one of three triggers. Every community in the NFIP administers what is commonly referred to as “the 50% rule” or substantial damage. If the cost to repair a damaged building to its pre-damage condition exceeds 50% of its market value, then the community’s rules require the owner to bring it into compliance. Most commonly, this means the existing building is lifted off its foundation and raised on a new, higher foundation. This substantial damage rule has been in place since early in the program; until ICC was authorized, the owner had to bear the entire cost. The second trigger is a variation of substantial damage called

“cumulative substantial damage.” The statute defines this as two or more claims in a 10-year period, each of which is at least 25% of the market value of the building. However, because the statute specifically states that compliance is required, FEMA’s implementation requires the community to have an ordinance that mirrors that trigger. Very few communities have adopted that ordinance language.

The third trigger is one that has not been implemented by FEMA. That trigger explicitly authorizes the FEMA Director to pursue mitigation offers for properties for which it is determined that it is cost-effective and in the best interests of the NFIP to achieve compliance. It is our understanding that FEMA’s reluctance is based, at least in part, on the statutory constraint that “compliance” is required. FEMA does not impose compliance - that is the purview of the local regulatory authority.

The ASFPM believes that ICC must be integrated into the new repetitive flood loss program, and has offered some recommended changes to Sec. 1304(b). These changes will assure that it achieves the originally intended objectives. We also urge the Committee to consider a fourth trigger to explicitly requiring that an ICC claim be allowed and counted as local matching funds when an offer of mitigation is made under the new Repetitive Priority Program, the new Individual Loss Property Program, and FEMA’s other mitigation assistance programs.

This amendment is essential because it substantially decreases or, in many cases, would likely eliminate the community’s (or property owner’s) burden of coming up with the local cost share. It is important to note that ICC funds are collected from policy holders and are not Federal funds. Because of the amount collected since ICC was authorized (approximately \$400 million of which less than \$20 million has been used), we believe that FEMA’s likely concerns about how our proposals would impact the pricing of the coverage should be blunted.

D. FEMA's REPETITIVE LOSS STRATEGY

FEMA has been looking at numerous ways to bring about mitigation of repetitive loss properties and recently hosted a discussion session with stakeholders, including the ASFPM. FEMA has made some adjustments to existing grant programs, but the agency is limited in what it can do without changes to FMA and ICC that we are recommending. We would like to commend FEMA for their utilization of resources and an open, collaborative process involving stakeholders to create its repetitive loss strategy.

E. MATTERS RELATED TO THE REAUTHORIZATION OF THE NFIP

The ASFPM does not consider the NFIP's periodic sunset provision to be an explicit expression of Congressional intent that the program may actually be terminated. It is a convenient mechanism to require periodic attention to the needs of the program. The consequences of short-term lapses have been outlined by others, in particular, the insurance and lending industries that are especially sensitive to this issue. We submit that it is reasonable to reauthorize the NFIP on a 3-year basis, which will preserve the opportunity for oversight on a regular basis. This timeframe is important for two reasons: (1) to allow for consideration of the success and progress of the proposed new repetitive loss programs, and (2) because the results of the NFIP's first objective and comprehensive evaluation will become available within the next year or so.

F. THE NFIP AND THE DEPARTMENT OF HOMELAND SECURITY

The NFIP is only one of FEMA's many responsibilities that are now transferred into the Department of Homeland Security (DHS). The ASFPM is very concerned that the NFIP's mission – and FEMA as a whole - will get overwhelmed by the forces driving DHS. Millions of homes and businesses are located within the Nation's floodplains and development pressures

continue. These people are located in areas that, with reasonable scientific certainty, we can say are exposed to a 1% or greater chance of flooding in any given year. Every year, areas in nearly every state are flooded, often damaging critical local infrastructure and forcing thousands of people out of their homes. This is a risk that we cannot allow to fall victim just because FEMA is in a new agency.

We appreciate Secretary Tom Ridge's statement made before the House Appropriations Homeland Security Subcommittee last spring that FEMA's mission "will not be jeopardized in any way, shape or form." We are particularly encouraged that he specifically mentioned the importance of mitigation in that mission. However, we are greatly concerned that the Initial Draft of the National Response Plan, which, under Presidential Directive, is to be created by DHS, eliminates "mitigation" as a term and concept. Since the National Response Plan is to supercede the Federal Response Plan (which has mitigation as a foundation of the Nation's overall response strategy), we question the true future of mitigation under DHS.

A major part of FEMA's mission is disaster loss mitigation. Millions of people, buildings, and public infrastructure facilities are at risk due to natural hazards. Development of mitigation policies and programs is absolutely essential to controlling the huge costs of natural disasters and will contribute to saving lives and property. Such policies are an important corollary to FEMA's response and recovery capabilities. In fact, mitigation often is accomplished in the immediate aftermath and rebuilding phase following a natural disaster when people's awareness of their risks is high and local and state commitments leverage federal dollars.

States and local jurisdictions know FEMA for its disaster response functions. They also know FEMA for its role in establishing long-term policies that influence new development and

redevelopment in high risk areas. FEMA establishes minimum flood hazard area development regulations, provides federal flood insurance, prepares and issues flood hazard maps, and coordinates technical assistance through the states to help communities and land owners manage flood hazards in ways that minimize damage. FEMA works with building code organizations to incorporate reasonable and cost effective mitigation measures into building codes, and to encourage states and local jurisdictions to adopt those codes in order to remain economically and socially viable by reducing flood losses. FEMA's partnerships, and more than 30 years of experience in administering the NFIP and mitigation programs are important to the Nation's efforts to prepare for, respond to, recover from, and mitigate against the perils of natural hazards.

It is important for us to agree that a federal flood insurance program is a vital component in the economic well-being of the Nation. Without the NFIP, trying to bear the rising costs of flood disasters would have catastrophic financial implications for millions of families and businesses and about 19,600 counties, cities, towns and villages across the country. Once we agree on the NFIP's importance, then we can pursue what is needed to strengthen the program in a variety of ways.

We urge the Committee to maintain regular contact with DHS to ensure that the short-term and long-term benefits of the NFIP are realized in the coming years. To that end, we suggest that the Committee monitor FEMA's budget to ensure that adequate funds are requested and spent to accomplish the goals set forth in statutes under the Committee's jurisdiction, and to express your desire that the NFIP and hazard mitigation remain high on DHS's priorities.

G. FEMA's MAP MODERNIZATION INITIATIVE

The importance of modernizing and updating flood hazard maps is now widely understood,

and based on the FY03 and FY04 budgets, funding is being provided. The initiative will span at least five years, and the end products will be better quality, converted to modern technology that will facilitate administering programs to reduce flood losses in nearly 20,000 communities, and lower long-term costs to maintain the maps.

The ASFPM is concerned that bureaucratic hurdles may adversely impact implementation of the flood map modernization program. For example, a new contract with the “National Service Provider” contractor that will have significant responsibilities in the implementation of map modernization is not yet signed. There have been delays created due to the extra layer of review and approval as a result of FEMA being an entity within DHS.

H. THE EFFECTIVENESS AND VALUE OF THE NATIONAL FLOOD INSURANCE PROGRAM AND FEMA’S FLOOD MITIGATION PROGRAMS

The National Flood Insurance Program is the nation’s oldest flood mitigation program. It is a unique arrangement with many stakeholders: (1) the federal government establishes regulatory standards, issues Flood Insurance Rate Maps, and provides the insurance; (2) the private insurance sector sells insurance and the private engineering community performs engineering and planning studies; (3) the states coordinate the program and provide technical assistance to communities; local jurisdictions adopt, administer, and enforce floodplain regulations; and (4) homeowners and business owners buy flood insurance. This arrangement contributes to the program’s effectiveness.

FEMA has estimated that over \$1 billion in damages are avoided each year due to the fact that states and communities administer floodplain regulations to recognize flood hazards in their development decisions. These savings accrue in part to the U.S. taxpayer because compliant construction is much less likely to sustain damage and because insured property owners are

unlikely to qualify for disaster assistance.

FEMA's mitigation grant programs require communities to plan in a systematic way to reduce flood risk. The planning process leads to greater overall disaster resistance and sustainability. In addition to the obvious benefits to owners of structures that are mitigated, there are multiple benefits to the community. Although often more difficult to quantify in strict benefit:cost models, these multiple benefits are critical to individual quality of life and a community's economic vitality.

One of FEMA's most successful mitigation grant programs, the Hazard Mitigation Grant Program (HMGP), continues to be jeopardized. Using these post-disaster funds, states and communities have implemented projects that reduce the damage potential for over 25,000 buildings. Examples of successes abound. The ASFPM has published several "Success Stories" publications illustrating examples from all over the nation (available online at <http://www.floods.org/Publications/free.asp>).

For the past three years the Administration's budget has attempted to eliminate HMGP. It is notable that through the FY2003 budget process, the amount of mitigation funding that is made available in the post-disaster period was halved. This program is formula-based, resulting in funds for mitigation as a function of certain categories of FEMA's disaster assistance expenditures. It provides funding at the most opportune time, after a federally declared disaster. Although FEMA has created a nationwide Pre-Disaster Mitigation program, it will never be as successful as HMGP because it does not take advantage of the post-disaster period when communities and victims are most aware of their risk and are willing to participate and leverage other funds. The ASFPM urges the members of this Committee to learn about successful post-disaster mitigation efforts in your home states and to support continuation of HMGP and to

restore it to the 15% level.

CONCLUSION

We appreciate that in the past Congress has provided an array of flood mitigation tools which increase the prospects that communities, states, and businesses and families can be truly resistant to future flood disasters. This Committee's consideration and action on new authorities and funding to allow us to mitigate repetitive loss properties are vital next steps.

Thank you for the opportunity to provide our thoughts on these important issues. The ASFPM and its members look forward to working with you as we move towards a common goal of reducing flood losses.

For more information, contact Larry Larson, Executive Director, (608) 274-0123, (larry@floods.org) or Rebecca Quinn, Legislative Officer, (410) 267-6968 (rcquinn@earthlink.net), or Chad Berginnis, Chair, (614) 265-6715, (chad.berginnis@dnr.state.oh.us).