Coburn Amendment 2693: include the amount of properties in a community with $10,000 or greater in annual flood insurance premiums as part of the criteria for pre-disaster hazard mitigation funds

<u>Ignoring flood risk is a negligent reaction to reports of extreme premium hikes</u>

- The popular refrain from S.1926 proponents is that some people are seeing their flood insurance rates jump to more than $20,000 annually
- It's unclear what the scope of properties that will see such large premium hikes, but the fact it could cost $25,000 a year in some cases for a maximum of $250,000 in coverage under the National Flood Insurance Program (NFIP) indicates that the federal taxpayers are insuring a very high risk property that could also be dangerous for the homeowner
- While $10,000 premium spikes do present an affordability problem for most Americans, the bigger problem is that people are living in such a high risk property and the taxpayers are insuring it

<u>Instead of pretending the risk does not exist, Coburn Amendment 2693 would implement a policy that proactively tries to mitigate the hazardous property</u>

- GAO points out that a delay would continue to expose the federal government to increased financial risk over a longer time and would not be a long term fix for policyholders that cannot afford higher premium rates, no matter when the increases go into effect
- These circumstances should not be simply ignored for four years as S. 1926 proposes – these situations should be mitigated(which would have the mutually beneficial effect of reducing the policy holder's premiums)
- Congress should target FEMA's pre-disaster mitigation funds (authorized at $90 million annually) towards communities that are experiencing the largest premium increases.
- Coburn amendment 2693 would include the amount of properties in a community with $10,000 or greater in annual flood insurance premiums as part of the criteria for pre-disaster hazard mitigation funds