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PCI Member Testifies on Opportunities and Challenges Facing the NFIP

WASHINGTON - Patty Templeton-Jones, executive vice president and chief program advocate of Wright National Flood, testified today on behalf of the Property Casualty Insurers Association of America (PCI) before the House Financial Services Subcommittee on Housing and Insurance on the hearing entitled "Opportunities and Challenges Facing the National Flood Insurance Program."

"PCI and my company look forward to helping the Subcommittee balance the continued development of opportunities for private capital to provide flood coverage outside of the NFIP while maintaining stability and certainty within the NFIP for consumers and the marketplace," said Templeton-Jones.

Templeton-Jones discussed four points for the Subcommittee's consideration.

There is increased private capital in the flood insurance marketplace. "The biggest change in the flood insurance landscape since Congress last reauthorized the NFIP is that now, for the first time in a generation, substantial sources of private capital are available and actively interested in writing primary flood insurance coverage," continued Templeton-Jones.

Templeton-Jones also underscored the importance of consensus for long-term reforms needed to provide stability in the NFIP throughout the lengthy transition period necessary for a significant market for flood coverage to develop outside NFIP. "Appropriate and timely long-term reforms could improve both the private and public protections provided to consumers. Developing consensus on long-term reforms, then restructuring and reauthorizing the NFIP well before its September 2017 expiration is the single most important thing Congress can do to foster certainty in the flood insurance marketplace and encourage the continued development of market oriented solutions in flood risk management," continued Templeton-Jones.

Templeton-Jones also highlighted several key issues policymakers need to consider before any period of transition begins. "The growth of a private, primary flood insurance market does not mean the elimination of the need for a national NFIP – particularly as the private market will not be willing to assume all flood risk or be acceptable to all buyers."

Finally, Templeton-Jones suggested several broad categories on which such long-term consensus reforms should focus. "There are a number of immediate, operational reforms that FEMA could take up on its own and that the Subcommittee may wish to consider in its oversight role."

"In the immediate, Congress could and should bolster the development of a robust private flood insurance market by passing the bi-partisan, bi-cameral, Ross-Murphy, Heller-Tester Flood Insurance Market Parity and Modernization Act of 2015 (S. 1679 and H.R. 2901)," said Templeton-Jones.

"PCI and Wright National stand fully ready to help the Subcommittee in this endeavor to protect consumers and create a stronger foundation for the private and public marketplaces that serve consumers," concluded Templeton-Jones.

Templeton-Jones' written testimony is attached.

PCI's letters in support of the Flood Insurance Market Parity and Modernization Act (S. 1679 and H.R. 2901) also are attached.

PCI promotes and protects the viability of a competitive private insurance market for the benefit of consumers and insurers. PCI is composed of nearly 1,000 member companies, representing the broadest cross section of insurers of any national trade association. PCI members write more than \$195 billion in annual premium, 35 percent of the nation's property casualty insurance. Member companies write 42 percent of the U.S. automobile insurance market, 28 percent of the homeowners market, 33 percent of the commercial property and liability market and 35 percent of the private workers compensation market.

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