

WASHINGTON, DC - Congressman Steny Hoyer released the following statement this evening following passage of legislation that would renew and reform the National Flood Insurance Program (NFIP) which covers more than 4 million homes.

"The National Flood Insurance Program (NFIP) was created as a response to the rising cost of disaster relief for flood victims and the increasing amount of damage caused by floods. In order for this program to fulfill these intended goals, we must ensure that information about consumers' rights and coverage under their insurance policy is distributed in a simple and straightforward manner.

"Following Hurricane Isabel, I heard from many of my constituents who did not have the information they needed to get properly reimbursed from the damages caused by this natural disaster. Unfortunately, homeowners found out too late that their property was not covered by the insurance they had purchased, and insurance agents did not have enough training or information to explain to policy holders exactly what was covered under their plan.

"In fact, many homeowners I spoke with were told they were not covered under the homeowners flood insurance because the damage to their home was not actually caused by flooding waters, it was caused by "high winds" which caused sea levels to rise and damage their property. Regrettably, the level of expertise among the claims adjusters varied greatly and was very inconsistent.

"This bill will help to fix this problem by establishing training and education requirements for flood insurance agents and adjusters to ensure that homeowners have an adequate amount of coverage for their property. It will also improve the appeals process to provide policyholders with a clear way to appeal their claims awards or appraisals of loss.

"I am pleased that the Congress has taken this step to advance the National Flood Insurance Program. These improvements will ensure that property owners are better educated and protected and that they have a fair way to receive the appropriate relief when floods occur."

The Senate passed the Flood Insurance Reform Act last week and with House passage today, the bill will be sent to the President for his signature.

Hoyer Applauds Reforms to National Flood Insurance

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