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Mr. Chairman, I appreciate the gentleman's courtesy in permitting me to speak on this, and for his leadership, along with the chairman, Mr. Oxley, and my friend, Mr. Baker. This is truly important bipartisan legislation to address the flood insurance program's challenges both in the short term and the long term.

I strongly support this legislation and appreciate the willingness of the committee staff to work with people outside the committee to be a part of the process. Those of us here on the floor have known for a long time that the flood insurance program, while an invaluable asset to communities in the floodplain, is not functioning as originally designed. Hurricane Katrina taught us we cannot just let the status quo continue, or the flood insurance program will cease to function. It will be in bankruptcy or people will lose their tolerance for Federal bailouts.

This bill is an excellent start, but you can be guaranteed that it is not the last time we will be talking about these changes on the floor. There are differing views about what needs to be done. Some have recommended making the program actuarially sound, and I agree with those measures. But one thing we have learned from Mr. Baker and from Mr. Taylor is that we have to be sensitive to the people who live in flood-prone areas. They are not just statistics of repetitive flooding, and they are rarely homeowners who are gaming the system. These are people caught up in the cycle of flooding and rebuilding who want to take steps to reduce their vulnerability.

In 2004, we did pass a bill to provide mitigation assistance to severe repetitive-loss property owners. We found that these repetitively flooded properties, which constitute just 1 percent of all the properties in the program, accounted for 25 percent of the flood loss dollars. Addressing these properties, we wanted to help move people out of harm's way, either literally, by buying them out, or helping them take mitigation actions, such as elevation.

Unfortunately, the repetitive-loss pilot project in the 2004 bill had not been fully implemented and we were not able to see the positive impacts before Hurricane Katrina. That is why I am glad the bill before us extends the pilot program so that it will have a chance to work. It also goes further to strengthen the flood insurance program and make it more fiscally sound over the next 50 years.

Some have argued that all properties owners who enjoy artificially low flood insurance rates should be required to pay actuarial rates. This would increase the premium enough to make the program more actuarially sound, saving \$1.3 billion. But while I agree the program should move closer to risk-based rates, the response of policyholders to the loss of the subsidy is unclear.

The CBO estimates that some would reduce their amount of coverage or drop flood insurance all together. Many of these subsidized properties are second homes or vacation homes, and the legislation addresses these and I think is a good compromise. Phasing in risk-based rates for second homes will also ensure that families in New Orleans and Mississippi and other flood-prone areas that rely on flood insurance won't be forced to pay artificially high rates to subsidize somebody's second home or vacation home.

The bill also helps encourage participation in the program. Many people living in the floodplains do not have flood insurance now. Less than 40 percent of the property owners who are required to buy insurance actually do so.

In parts of Mississippi and Alabama, hit hardest by Katrina, the coverage rate was only 15 percent. That means that people did not have access to insurance payouts to make them whole, and they are relying on grants and loans from the disaster relief programs that are paid by the taxpayer.

The challenge is figuring out how to make sure that more people who are supposed to have flood insurance do so, and this bill helps the situation by increasing the penalties levied for nonenforcement of Federal mandatory purchase requirements.

It also includes an important study on how to better enforce mandatory flood insurance.

The bill also addresses the inaccuracy and inadequacy of flood insurance maps. We are going to talk a little about this later in the day.

Current flood insurance is required only where there is a 1 percent chance of a flood on an

annual basis and not in other low-lying areas where surges are likely to follow major storms. Many of the people who flooded in Katrina did not technically live in the floodplain. They were out of this 100-year cycle, or they lived behind levees and did not realize they should have flood insurance.

These updated maps are important, because FEMA uses them to issue flood elevation requirements. Communities want to have the confidence that their residents are paying the right amount for flood insurance, and we should be loathe to tinker with that.

In addition to directing FEMA to develop more sophisticated maps, this legislation authorizes FEMA to study the implications of requiring flood insurance behind the levees. This is a very important part of the bill. I don't think it has been given the proper attention by more of us in Congress. I hope that we will move towards requiring flood insurance for those situations.

The saying goes, there are only two kinds of levees, those that fail and those that will fail. But this study moves us in the right direction.

While this bill, I think, sets the stage, for moving us in the right direction, simple, common-sense steps strengthen the program and bring together a vast, diverse range of people, from environmentalists to fiscal conservatives, people in real estate, and most important, most important, people whose lives we saw torn apart living in flood-prone areas.

I deeply appreciate the work of this committee and our colleagues in making important steps that are going to make a difference for people for generations to come.