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July 26, 2017

United States Senate
Washington, D.C. 20510

Dear Senator:

The 1.2 million members of the National Association of REALTORS® urge you to co-sponsor S. 563, “The Flood Insurance Market Parity and Modernization Act” by Senators Dean Heller (R-NV) and Jon Tester (D-MT). This bill, which unanimously passed the House of Representatives last year and the Financial Services Committee last month, is a solid first step in the development of private market options in addition to the National Flood Insurance Program (NFIP).

S. 563 would clarify that property owners may satisfy NFIP’s continuous coverage requirement¹ with qualifying private market flood insurance. To qualify, a private insurance plan must meet the federal requirement for a minimum amount of flood coverage and the state requirements for the other matters (e.g. deductibles, exclusions, etc.) which involve the business of insurance and thus are the purview of state insurance regulators, who are in the best position to protect consumers.

This critical clarification will encourage the development of a more robust private market, which in many cases is already offering better coverage at lower cost than the NFIP. It will also enable property owners to move back and forth from the NFIP without jeopardizing a grandfathered rate. In fact, the bill protects consumers by preserving NFIP as a viable choice so property owners won’t become stranded, should private insurance options contract or become more expensive after major floods.

The bill also incorporates several bipartisan House amendments. For instance, retaining Fannie Mae and Freddie Mac’s authority to consider the financial strength of insurance companies will protect taxpayers without preempting state insurance regulation.

A strong NFIP coupled with a consumer-friendly private insurance market will provide property owners with the choices they demand. REALTORS® urge support and passage of the legislation and look forward to working with you and Congress to take this first step towards improving the flood insurance marketplace.

Sincerely,

William E. Brown
2017 President, National Association of REALTORS®



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¹ 42 USC 4014(g)(1)