

## Americans for Smart Natural Catastrophe Policy

For Immediate Release

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### **Americans for Smart Natural Catastrophe Policy Applaud U.S. Senate's Sound Rejection of Wind Damage Provision to National Flood Insurance Program**

*Diverse Coalition of Environmental, Consumer, Taxpayer, and Insurance Organizations Advocate for Balanced, Sound Natural Catastrophe Policy, and Mitigation Incentives*

Washington, D.C., May 12, 2008 – Americans for Smart Natural Catastrophe Policy, a coalition comprised of consumer, environmental, taxpayer, free market and insurance groups championing environmentally-responsible and fiscally-sound natural catastrophe legislation, applauded the U.S. Senate's overwhelming 74-19 vote rejecting an amendment that would have added wind damage coverage to the National Flood Insurance Program (NFIP) as part of broader legislation (S.2284) to reauthorize and improve the ailing government program.

The coalition praised Senators Dodd (D-CT) and Shelby (R-AL) for leading the bipartisan opposition to Senator Wicker's (R-MS) ill-advised wind amendment. "Defeat of this amendment will help protect the environment and help keep people out of harm's way as we confront more intense hurricanes, sea level rise and flooding," said David Conrad, Senior Water Resources Specialist at the National Wildlife Federation. "Allowing the federal government to expand its involvement in a program already deep in debt would not only cost Americans tens of billions of dollars, but would do little to protect their safety or that of our precious environment," added Eli Lehrer, Senior Fellow with the Competitive Enterprise Institute and Heartland Institute.

The coalition will continue its push to reject the inclusion of any wind coverage amendments in the final legislation when the U.S. House and Senate bills are reconciled in conference committee. The version of the NFIP reauthorization bill (Section 7 of H.R.3121), which passed the House before the coalition came together in opposition, includes a wind damage provision championed by Rep. Gene Taylor (D-MS) that will increase the economic stress on a program that is already underfunded and overburdened. The Administration has also threatened a veto if the Taylor provision is included in the final legislation.

In the face of the overwhelming negative vote, Senator Bill Nelson (D-FL) also withdrew an amendment that he had offered to establish a federal backstop natural catastrophe insurance program, which would have unnecessarily subsidized state catastrophe insurance or reinsurance programs, such as those in Florida. Senator Nelson's proposal, like that of Senator Wicker, has been criticized for exposing Americans nationwide to the risks of a taxpayer bailout and providing an incentive to build homes in hurricane-prone, environmentally-sensitive coastal areas.

Americans for Smart Natural Catastrophe Policy champions the adoption of smart alternatives that will aid homeowners, such as legislation proposed by Senate Banking Committee Chairman Dodd,

which would assist homeowners already living along America's coastlines and in financial need to take proactive steps to storm-proof their homes and businesses through tax credits, loans and grants.

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### **About Americans for Smart Natural Catastrophe Policy**

Americans for Smart Natural Catastrophe Policy is a national coalition made up of a diverse set of voices united to support environmentally-responsible and fiscally-sound approaches that promote public safety. The Coalition strongly opposes legislative proposals that encourage people to build homes in hurricane-prone, environmentally-sensitive areas by creating new programs to directly or indirectly subsidize their homeowner's insurance.

In March, a letter was sent to all 100 members of the U.S. Senate urging opposition to any amendments to expand the National Flood Insurance Program (NFIP), which already is \$18 billion in debt, to include wind damage or to create new federal natural catastrophe loan, insurance or reinsurance programs. Those signing the letter were: Consumer Federation of America, American Consumer Institute, Defenders of Wildlife, Environmental Defense, Friends of the Earth, National Wildlife Federation, Republicans for Environmental Protection, Association of State Floodplain Managers, Americans for Prosperity, Council for Citizens Against Government Waste, Competitive Enterprise Institute, FreedomWorks, Taxpayers for Common Sense, Association of Bermuda Insurers and Reinsurers, Reinsurance Association of America, and Professional Insurance Agents

To learn more about the Coalition and its members, or to access information and research studies about the legislation, visit [www.smartnatcat.org](http://www.smartnatcat.org).