

National Flood Insurance and Natural Catastrophe Insurance

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WHEREAS, the Congress established the National Flood Insurance Program (NFIP) in 1968 to provide otherwise difficult to obtain flood insurance for residences and businesses that are located in flood prone areas in exchange for the participating communities' agreement to guide new development away from flood hazard areas; and

WHEREAS, since its inception the NFIP has grown to more than 5.1 million policies providing more than \$1 trillion in annual flood insurance coverage, and the vast majority of the nation's communities are currently participating; and

WHEREAS, global warming is causing sea level rise, increased storm surge and intensified tropical storms and other changes in climate and weather patterns, which in turn threaten people and wildlife along the coasts and in floodplains; and

WHEREAS, vitally important fish and wildlife habitat such as in the case where the US Fish and Wildlife Service has determined that 8 federally listed wildlife and plant species in the Florida Keys are threatened or endangered as a result of the implementation of the NFIP, and the National Marine Fisheries Service has determined that salmon in the Pacific Northwest are threatened by development in the floodplains along salmon streams, and many similar examples exist nationwide; and

WHEREAS, coastal and floodplain development, in part facilitated by the NFIP, has also degraded water quality, open space, and groundwater recharge areas, and has reduced recreational opportunities; and

WHEREAS, in implementing the NFIP, the Federal Emergency Management Agency (FEMA) has given virtually no attention to the dangers to people and wildlife posed by global warming and excessive coastal and floodplain development; and

WHEREAS, nationally, average annual flood damages have continued to rise at an alarming rate, with annual losses now exceeding an average of \$6 billion, triple the adjusted rate of the early 20th Century, and this is before considering the catastrophic losses of the hurricane years of 2004 and 2005; and

WHEREAS, today the NFIP is approaching \$18 billion in debt to the U.S. Treasury, with virtually no possibility of overcoming the debts and large interest payments without a massive federal bailout; and

WHEREAS, Congress has begun considering legislation that would add wind insurance to the NFIP as a new federally-insured peril and otherwise expand federal subsidies for natural catastrophe insurance programs, without reforming the well-known problems in the existing programs;

NOW, THEREFORE, BE IT RESOLVED that the National Wildlife Federation, in its annual meeting assembled May 14 -17, 2008, in Keystone, CO, hereby expresses its opposition to any legislation that would exacerbate the financial instability of the NFIP, including legislation that would add wind insurance, or that would fail to address the risks to people and wildlife of new development and re-development in high-hazard, environmentally-sensitive areas, such as coastal barrier islands, estuaries, ocean, lakeside and riverine shorelines and floodplains; and

BE IT FURTHER RESOLVED that the National Wildlife Federation calls on the Congress and FEMA to shift the focus of federal flood insurance programs onto the identification and mitigation of hazard risks, including the risks posed by global warming, rather than subsidization of insurance rates.