

June 28, 2010

The Honorable Nancy Pelosi  
Speaker  
United States House of Representatives  
Washington, D.C. 20515

The Honorable Harry Reid  
Majority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable John Boehner  
Republican Leader  
United States House of Representatives  
Washington, D.C. 20515

The Honorable Mitch McConnell  
Republican Leader  
United States Senate  
Washington, D.C. 20510

**RE: National Flood Insurance Program**

Dear Speaker Pelosi, Majority Leader Reid, Senator McConnell, and Representative Boehner:

On behalf of the National Association of Insurance Commissioners, we write in strong support for quick action to extend the National Flood Insurance Program (NFIP). The NFIP expired on June 1, the first official day of hurricane season, leaving uncertainty in the marketplace and consumers vulnerable. We urge Congress to consider the ramifications for these consumers and future flood victims if the NFIP extension continues to face delays. We also hope that Congress will avoid similar lapses in the future.

Homes and buildings in high-risk flood areas with mortgages from federally regulated or insured lenders are required to have flood insurance. These areas have a one percent or greater chance of flooding in any given year, which is equivalent to a 26 percent chance of flooding during a 30-year mortgage. Each day Congress fails to act, the National Association of Realtors estimates that 1,400 closings on new home purchases will be delayed or cancelled. This calculation is based on the conservative assumptions that five million residential properties are sold each year, virtually 100 percent of these mortgages are federally insured or regulated, and, according to FEMA, that 10 percent of all properties are located in the 100-year floodplain.

It is also critical that consumers plan ahead. A flood insurance policy normally will not go into effect until 30 days after purchase of the policy. During these critical summer months, efforts to protect property and prepare for natural disasters should be encouraged, not hindered.

Since the NFIP lapsed on June 1, major flooding has occurred in several areas, most notably flash floods in Arkansas, Oklahoma, and Indiana. These recent floods remind us that flood risk is not just a concern for coastal areas. The inability of homeowners and businesses to protect their properties and plan in advance of disaster is troublesome for all states, cities, and communities. It is for this reason that we urge Congress to quickly extend the NFIP for the benefit and protection of all consumers in every state.

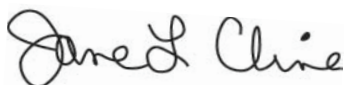
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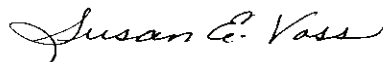
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Thank you for your attention to this matter. If you need any additional information, please contact Jennifer Capriola of the NAIC Washington, D.C. Office at (202) 471-3972.

Sincerely,



Jane L. Cline, Commissioner  
West Virginia Insurance Department  
NAIC President



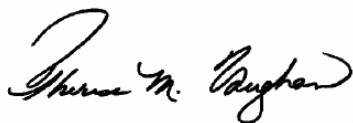
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