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February 26, 2014

Majority Leader Eric Cantor
H 329 The Capitol
Washington, DC 20515

Ranking Member Maxine Waters
2221 Rayburn House Office Building
Washington, DC 20515

Dear Leader Cantor and Ranking Member Waters:

I write to express my appreciation for your hard work in finding a workable compromise to provide necessary relief for homeowners in Florida from the harmful implementation of the Biggert-Waters Flood Insurance Reform Act of 2012 (“Biggert-Waters”). I also urge consideration of two pro-consumer ideas that have been put forward.

Florida pays more premiums into the National Flood Insurance Program than any other state. As a result, my state has a legitimate interest in both the viability and affordability of the program. Nevertheless, the program and Biggert-Waters reform implementation are riddled with flaws. Providing relief from exorbitant rate hikes is one part of the solution, and I am encouraged by the work this Chamber has accomplished to meet that goal. The second part of the solution lies in encouraging the development of a robust private market that can offer homeowners options in terms of pricing and coverage. Not only will homeowners benefit from the private market competing to offer better products and pricing—but the innovations involved in that process will ultimately ensure that the National Flood Insurance Program is held accountable for its policies and practices.

Biggert-Waters made clear the intent of Congress that private flood insurance should be an option available to homeowners.¹ The Florida State legislature has already taken steps to license private flood insurers. However, this work will be in vain unless Congress acts to clarify outstanding issues that remain an impediment to private market development.

Accordingly, I strongly encourage the inclusion of two commonsense provisions which will do nothing to further the insolvency of the program, but will allow the development of a

¹ 42 U.S. Code § 4012a(b)

private market and consumer choice, ultimately to the benefit of homeowners. These two provisions, which will only be effective if enacted together, are:

- 1) Allow states to license flood insurance, as is the practice with other forms of insurance; and,
- 2) Require that FEMA disclose available data, under appropriate privacy protocols, that provide the basis for risk premium rates for flood insurance.

Once privacy protocols are in place, insurers will be able to review FEMA's information to determine if they can provide consumers better flood insurance options – better coverage or better price, or both. After developing a product, the insurers can turn to their state for licensing and product review. State insurance departments are experienced and knowledgeable consumer advocates with a strong history of appropriately licensing insurers for auto and homeowners insurance. Allowing these experienced professionals the authority to license flood insurance products makes sense for taxpayers and it makes sense for homeowners.

I appreciate your consideration of my request and look forward to the inclusion of these provisions in any House bill to address flood insurance reforms and relief.

Sincerely,



Dennis A. Ross
Member of Congress

Enclosure