

## POLITICS

# Popular Flood Insurance Law Is Target of Both Political Parties

By CORAL DAVENPORT JAN. 28, 2014

A major flood insurance bill was a rarity when it passed what is widely derided as a do-nothing Congress in 2012, but a year and a half later, there is now an enthusiastic bipartisan effort to gut it.

This week the Senate is expected to approve a measure that would block, repeal or delay many of the key provisions of the Biggert-Waters Flood Insurance Reform Act, which was sponsored by Representative Judy Biggert, an Illinois Republican, and Representative Maxine Waters, a California Democrat.

Tucked into broader transportation legislation, the bill had enthusiastic support across the political spectrum, from liberal environmentalists to fiscal conservatives.

But Ms. Waters is now leading an effort in the House to gut the legislation she sponsored. And this week, the Senate is expected to pass a measure that would stymie the law, an effort that has support from across the political spectrum, from prominent liberals like Senator Elizabeth Warren, Democrat of Massachusetts, to conservatives like Senator Marco Rubio, Republican of Florida.

What happened?

It appears to be another Washington story of unintended consequences, and a warning, environmentalists say, of the rising costs of climate change. Most important, the bill may be a preview of the fights to come over who will pay those costs.

The Biggert-Waters measure sought to reform the nation's nearly bankrupt flood insurance program, ending federal subsidies for insuring buildings in flood-prone coastal areas. Over the past decade, the cost to taxpayers of insuring those

properties has soared, as payouts for damage from Hurricanes Katrina, Irene, Isaac and Sandy sent the program \$24 billion into debt.

The aim of the measure was to shift the financial risk of insuring flood-prone properties from taxpayers to the private market. Homeowners, rather than taxpayers, would shoulder the true cost of building in flood zones.

Deficit hawks liked the idea because it would curb a rapidly rising source of government spending. Environmentalists liked the bill because they said it would reflect the true cost of climate change, which scientists say is ushering in an era of rising sea levels and more damaging extreme weather, including more flooding.

But a year after the law passed, coastal homeowners received new flood insurance bills that were two, three, even 10 times higher than before.

In Beach Haven West, N.J., for example, Diane Mazzuca, a furniture showroom designer, had been paying \$595 annually for flood insurance on her \$90,000 home. After Biggert-Waters ended federal flood insurance subsidies last June, she got an updated bill — for \$4,492.

“Our house never flooded before Sandy,” Ms. Mazzuca said. “The new insurance statement said we were in the storm surge line.”

Ms. Mazzuca is still struggling with her insurance company over payments to repair damage to her home from Sandy, and cannot pay the costs on her own, or the new insurance rates.

“I’m going to have to walk away from my house and my life savings,” she said.

Ms. Mazzuca has plenty of company. The insurance rate increases hit many of the 5.5 million coastal home and business owners covered under the National Flood Insurance Program, and came as the Federal Emergency Management Agency, which runs the program, was updating flood maps and placing thousands of homes inside flood zones for the first time. Last summer and fall, homeowners near coasts, rivers and wetlands saw their insurance rates soar and their property values plummet.

The homeowners’ frustration erupted into a grass-roots lobbying campaign to roll back the Biggert-Waters act, and lawmakers in Washington quickly got the message.

“Never in our wildest dreams did we think the premium increases would be what they appear to be today,” Ms. Waters said.

Similarly, in Louisiana, where hurricanes and flooding have devastated coastal residents and the new insurance rates were viewed as a further affront, Senator Mary L. Landrieu, a Democrat who faces a tough re-election fight this fall, paid close attention to angry constituents.

Ms. Landrieu teamed with Senator Robert Menendez, Democrat of New Jersey, and Senator Johnny Isakson, Republican of Georgia, to sponsor a bill that would delay most insurance rate increases by four years.

“The Biggert-Waters bill is not going to save the flood insurance program. It’s going to collapse it,” Ms. Landrieu said. Supporters of her effort to delay Biggert-Waters say that the spike in flood insurance rates will drive homeowners out of coastal zones altogether.

But budget watchdogs, insurance groups and environmentalists are fighting the effort. They say that while the original Biggert-Waters law was imperfect, the effort to delay it would bankrupt the program and leave coastal property owners more vulnerable to future damages, and that taxpayers would be forced to pay the bill.

On Monday, the White House released a statement criticizing the effort to gut the law, saying it would further erode the financial position of the national flood insurance program, and that it would reduce the government’s ability to pay future claims. But the administration did not threaten a veto.

The Senate bill is expected to pass on Wednesday or Thursday, after which it will head to the Republican-controlled House.

Although the effort there is being led by Ms. Waters, she already has more than 180 co-sponsors from both parties, and House Speaker John A. Boehner, Republican of Ohio, indicated that G.O.P. leadership may consider the effort.

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