


[Home](#)
[eNewsletters](#)
[Web Seminars](#)
[Subscribe](#)
[Advertisers](#)
[Store](#)
[Contact Us](#)
[About Us](#)

This Week

News

Technology Trends
Market Report
Sam's Blog
WC RM Award
Buyers Report
Events 2007

Opinion

Channels

Agent/Broker
E&S/Specialty Markets
Insurance Companies
Risk Management
Technology
Asbestos & Mold
Auto & Homeowners
Bermuda Market
Claims And Fraud Services
Environmental/Pollution Coverage
[More Channels...](#)

Feedback

Letters To The Editor
Story Ideas

Events

ACE/SCLA
Workers' Comp Conference
Events Calendar
Submit Event
Edit Event

Services

Associations
Industry Links
Agent/Broker Buyers'
Guide- Submit Listings
Agent/Broker Buyers'
Guide- Search Listings

Advertisers

Media Kit
Electronic Opportunities
Editorial Calendar
Material Specs

Special Features

Top 10 Stories of 2006
Underwriting Benchmarks
Research Report

Charter Sponsors



Burns & Wilcox

Breaking News

Bill To Expand Flood Program In The Works

BY ARTHUR D. POSTAL

NU Online News Service, Jan.31, 4:22 p.m. EST

WASHINGTON —A group of Coastal congressmen plan to introduce legislation next week that would expand the National Flood Insurance Program to provide “all-perils” coverage for homeowners and small businesses.

The draft legislation would raise the limits of coverage currently paid under the NFIP for flooding, and the draft measure mandates that “actuarially sound” rates be charged.

Such a provision would probably be acceptable to the insurance industry, but, given the fact the NFIP is currently underfunded by more than \$23 billion, it is likely to be received with skepticism in Congress, especially in the Senate, according to insurance industry representatives.

The bill is the second piece of legislation being developed by coastal area congressmen to deal with growing criticism of the insurance industry’s handling of claims resulting from Hurricanes Katrina and Rita in 2005.

Legislation that would radically alter the McCarran-Ferguson Act is also being drafted by lawmakers from coastal areas in both the House and the Senate.

Plans for the all-perils measure were disclosed today by Rep. Bobby Jindal, R-La., during an appearance before a group of healthcare insurance producers.

Rep. Jindal did not have time to comment, but a copy of the draft legislation was obtained from other sources.

The draft says Reps. Jindal and Gene Taylor, D-Miss., hope to introduce the bill by late next week.

A spokesman for Rep. Taylor confirmed that the bill was being drafted, but declined to give a timeline for introduction. “It is still being drafted, and we are coordinating with other offices on both bills,” the spokesman for Rep. Taylor said.

Amongst other provisions, the all-perils measure would require local governments to opt-in by agreeing to adopt building code standards for coastal areas that would strengthen structures against hurricane damage.

The draft bill for the all-perils bill would limit coverage of residential properties to \$500,000 for the structure, and \$150,000 for contents and loss of use living expenses.

Business coverage would be capped at \$1 million for the structure and \$750,000 for contents and business interruption.



Under current law, flood insurance is limited to \$250,000 for the building and \$100,000 for contents.

For businesses, the limit is \$500,000 for the structure and a similar amount for contents.

Legislation reforming the NFIP passed by the House last year would have raised the limits to \$335,000 for residential structures and \$135,000 for contents, and \$670,000 for businesses, and \$500,000 for the contents.

The House bill also would have allowed loss of use and provided business interruption coverage for the first time.

[Back to Breaking News](#)

Story Tools

 Email

 Print

Copyright © 2007 by The National Underwriter Company. All rights reserved.

[Privacy Statement](#) [Terms of Use](#) [Visit NationalUnderwriter.com](#) [Contact Webmaster](#)

The National Underwriter Company 5081 Olympic Boulevard, Erlanger, KY 41018 1-800-543-0874
Publisher of Insurance Books, Insurance Software and Insurance Magazines