

**AMERICAN BIRD CONSERVANCY • AMERICAN RIVERS • AUDUBON • CERES
CLEAN WATER ACTION • DEFENDERS OF WILDLIFE • FRIENDS OF THE EARTH
LEAGUE OF CONSERVATION VOTERS • NATIONAL WILDLIFE FEDERATION
NATURAL RESOURCES DEFENSE COUNCIL
REPUBLICANS FOR ENVIRONMENTAL PROTECTION • RIVER NETWORK
SIERRA CLUB • WATERKEEPER ALLIANCE**

July 19, 2010

Re: Oppose H.R. 1264, Multiple Peril Insurance Act

Dear Representative:

We write in strong opposition to the Multiple Peril Insurance Act of 2009 (HR 1264). This bill would significantly expand the already broken and debt-ridden National Flood Insurance Program (NFIP) to offer coverage of damages from windstorms in addition to flood damages. Such an expansion would increase incentives to develop and redevelop many dangerous, high-risk and environmentally-sensitive areas that are critical habitat for birds, sea turtles, and other wildlife; would give citizens a false sense of security regarding wind and flood damage; and would cost U.S. taxpayers billions of dollars.

Adding windstorm coverage to the NFIP would subsidize more risky development in coastal areas and floodplains.

The federal government should not be in the business of subsidizing construction and re-development along sensitive coastlines, on wetlands and flood prone areas, and hurricane-prone regions. At stake in these areas are millions of acres of bird and other wildlife habitat, wetlands and beaches – all of which face severe climate change impacts, including more intense storms, sea-level rise and flooding. According to FEMA there are already 8 to 12 million homes located in high-risk, special flood hazard areas. Instead of incentivizing even more development in these most at-risk areas, Congress should enact meaningful and positive reforms such as incentivizing better land use planning, hazard mitigation, and improved risk identification and mapping. Unfortunately, the NFIP reauthorization passed recently by the House (HR 5114) failed to include any of these critical hazard mitigation and risk reduction measures.

Adding windstorm coverage to the NFIP would cost taxpayers billions of dollars.

Also, despite some modest rate improvements, the House reauthorization bill failed to address the fundamental financial condition of the NFIP, which is currently in \$18.75 billion debt to the U.S. Treasury. The NFIP's failure to reduce natural hazard risks and lack of an actuarially-based financial structure leaves it vulnerable to major catastrophic losses – losses that can now only be repaid with enormous bailouts from the American taxpayers. In addition, FEMA currently has no

experience at all with providing windstorm coverage or with setting standards, identifying and mapping or mitigating wind-related risks.

Adding wind coverage would swamp the NFIP and leave it crippled forever because it is not designed to handle global warming-powered weather events, including increasing hurricane intensity and storm surge, sea-level rise, increasing rainfall and snowmelt events and associated flooding. The latest studies have found the destructive potential of tropical storms in the Atlantic has increased by about 50 percent since the 1970s. Recent science also indicates that that hurricane wind speed will increase 2 to 13 percent and rainfall rates will increase 10 to 31 percent over this century. The insurance industry estimates that the \$15 to \$20 billion NFIP costs of storms like Hurricane Katrina could be three to five times or more if wind perils were also included.

A Sound Approach Is Needed

FEMA has recently begun a two-year comprehensive review of the NFIP to make sound recommendations that will improve and potentially overhaul the flood insurance program. Now is not the time to add the high costs and risks of wind insurance to this seriously failing federal program. Both FEMA Director Craig Fugate and Homeland Security Secretary Janet Napolitano have indicated they oppose expanding NFIP to include wind and we believe they are right. We urge you to oppose H.R. 1264 because adding wind insurance to the NFIP will damage the environment, give citizens a false sense of security, and cost taxpayers ultimately billions of dollars.

Thank you for your attention to this matter.

Sincerely,

Anne Law
Deputy Director of Conservation Advocacy
American Bird Conservancy

Andrew Fahlund
Senior Vice-President Conservation Programs
American Rivers

Brian Moore
Legislative Director
Audubon

Sharlene Leurig
Manager, Insurance Program
Ceres

Paul Schwartz
National Policy Coordinator
Clean Water Action

Mary Beth Beetham
Director of Legislative Affairs
Defenders of Wildlife

David Hirsch
Managing Director
Friends of the Earth

Tiernan Sittenfeld
Legislative Director
League of Conservation Voters

Adam Kolton
Senior Director, Congressional and Federal Affairs
National Wildlife Federation

Scott Slesinger
Legislative Director
Natural Resources Defense Council

David Jenkins
Vice President for Government and Political Affairs
Republicans for Environmental Protection

Todd Ambs
President
River Network

Ed Hopkins
Director of Environmental Quality
Sierra Club

Scott Edwards
Director of Advocacy
Waterkeeper Alliance