

BIG “I” SENDS LETTER TO CONGRESS CALLING FOR LONG-TERM EXTENSION OF NATIONAL FLOOD INSURANCE PROGRAM

Even as forecasters predict hurricanes, Congress not expected to address lapsed NFIP until next week.

WASHINGTON, D.C., June 10, 2010 — In its continuing efforts to advocate for an immediate reauthorization of the expired program, as well as a long-term extension, yesterday the Independent Insurance Agents & Brokers of America (IIABA or the Big “I”) sent a pointed letter to the leadership of the United State Congress urging “Congress to immediately pass a reauthorization of the NFIP with retroactivity to June 1, 2010.”

The association firmly believes that lapses in this program cause confusion and leave many homeowners and small businesses unprotected during a delicate economic period and a dangerous time of the year. June 1 was the first day of the 2010 hurricane season which weather forecasters and scientists estimate will be very active.

The text of the letter follows:

June 9, 2010

The Honorable Harry Reid

The Honorable Nancy Pelosi

The Honorable Mitch McConnell

The Honorable John Boehner

Dear Leadership:

On behalf of the Independent Insurance Agents & Brokers of America (IIABA or the Big “I”) and our more than 300,000 members, we are writing to respectfully underscore the importance of a reauthorization of the National Flood Insurance Program (NFIP) as the current program expired on June 1, 2010, the first day of the hurricane season.

Moreover, we are writing to express our dismay that the extension of this valuable program continues to be on a short term basis and that even these short term extensions are now routinely held up by its combination with the extensions of other unrelated programs.

The NFIP has worked for more than 40 years to help protect consumers from flood risks, and five and a half million taxpayers depend on the NFIP as their main source of protection against flooding, the most common natural disaster in the United States. Congress has traditionally extended the program for five year periods in order to provide

stability and security for the marketplace. Unfortunately, Congress has recently only extended the program for short periods, from 30 days to six months. These short term extensions have occurred in order to allow Congress the opportunity to make needed reforms in order to bring stability to the program in the future. While the Big “I” has strongly supported the efforts at reform in both the House and Senate, we are concerned that this push for reform has now been underway for nearly four years, and during this time it has held up any consideration of a long term extension. Consequently, the program has been forced to go from one short term extension to the next.

To make matters worse, in the last year even these short term extensions have been considered in conjunction with the extension of other programs such as unemployment insurance, COBRA subsidies and Medicare “doc fixes.” While each of these programs may be important in their own right, the undeniable reality is that they have political problems that have hindered their consideration which in turn has hindered the consideration of the extensions of the NFIP. It is extremely important to note, for example, that the extension of the NFIP is completely revenue neutral and does not generate a score by the Congressional Budget Office (CBO) – yet it was the scoring issues of the other programs in H.R. 4213 that delayed Congress’ consideration before the NFIP’s most recent June 1st expiration.

Due to the nature of Congress’ short term extensions of the NFIP and its continued combination with other program extensions, the NFIP has now expired four times in its recent history (three times this year alone). These repeated expirations have caused confusion in the marketplace for consumers, agents, companies, and even regulators. Residential and commercial real estate transactions in flood zones across the country face the prospect of coming to a virtual stop, as federally-backed mortgage loans for properties in flood zones cannot be secured without this critical protection.

Just as importantly, the expirations have called into question the very stability of the program as a whole among consumers, agents and companies. As evidence of this growing doubt, on June 4, 2010 State Farm announced that it would no longer serve as a Write Your Own (WYO) company participant in the NFIP. This move, set to take effect this fall, will force the government to find flood insurance coverage for approximately 800,000 consumers that State Farm currently serves. In explaining their decision to leave the WYO program, a State Farm statement specifically cited the numerous short term extensions and the recent periods of expiration, and the significant amount of resources they have had to devote to handling these extensions and expirations, as factors in their decision.

A long term extension is vital to provide needed certainty to homeowners and small businesses that depend on the program for flood damage protection, to protect our residential and commercial real estate markets from serious harm during a very difficult economic time, and to provide stability for the agents and companies that sell and administer the NFIP policies to millions of consumers across the country.

In short, we urge Congress to immediately pass a reauthorization of the NFIP with retroactivity to June 1, 2010. Additionally, the Big “T” **strongly** encourages Congress to act on a **long term, stand alone, extension** of the NFIP. Thank you for your attention.

Sincerely,

Robert Rusbult

President and Chief Executive Officer

Charles E. Symington, Jr.

Senior Vice President,

Government Affairs