

The Flood Insurance Crisis:

Cassidy Report on State of National Flood Insurance Program

For over **50 years**, Americans have relied on the National Flood Insurance Program (NFIP) for affordable flood insurance to protect them in case of a natural disaster or major flood. NFIP is often the only flood insurance option for many communities. However, skyrocketing insurance premiums caused by the U.S. Federal Emergency Management Agency's (FEMA) new risk assessment program, Risk Rating 2.0, have left many Louisianans with no way to protect their families and homes.

Risk Rating 2.0 makes flood insurance unaffordable, puts the entire program at financial risk, and runs contrary to Congressional intent. This report breaks down how NFIP reached this point, how dire the situation is, and what Congress must do to make flood insurance affordable again.

Read the full report [here](#) or read key findings and recommendations from the report below:

Key Findings:

- Following Risk Rating 2.0, the average flood insurance cost rose in **EVERY** state.
- NFIP premiums in Louisiana **increased by 234%**, resulting in 52,000 Louisianians dropping their policies.
- **80% of policyholders in Louisiana saw a spike** in their insurance premiums.
- FEMA itself predicts that up to a million policyholders nationwide could lose their flood insurance coverage in the next decade.
- **A lack of transparency with Risk Rating 2.0 has left policyholders in the dark** about how their premiums are calculated.
- FEMA did not follow proper protocol when implementing Risk Rating 2.0.
- Legal challenges have cast doubt on whether FEMA even had the authority to implement Risk Rating 2.0 without Congressional approval.

Recommended Next Steps:

- **Congress must pass a comprehensive NFIP reform package** that caps premium hikes, provides means-tested discounts for those who face increasing premiums, strengthens mitigation efforts, and simplifies the claims process by cutting red tape.
- FEMA must reevaluate its pricing methodology and focus on affordability.
- FEMA must roll back Risk Rating 2.0 and refrain from implementing similar changes without prior Congressional approval.
- FEMA must incorporate feedback from state and local stakeholders to make flood insurance more affordable.

