

Congresswoman Matsui Introduces Legislation to Create National Flood Insurance Outreach Grant Program

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Washington, DC — Congresswoman Doris O. Matsui (CA-5) introduced bipartisan legislation to create a grant program to educate property owners about their flood risk and about the importance of flood insurance — the Flood Insurance Community Outreach Grant Program Act of 2006. This legislation would authorize \$50 million annually for a grant program through the Federal Emergency Management Agency (FEMA) for five years.

“We need to take a comprehensive approach to flood protection — modernizing our flood maps and investing in our levee and dam systems — as well as making sure our constituents are aware of the risk of living in a flood plain so they purchase flood insurance to protect themselves should there be a flood,” stated Congresswoman Matsui. “With Sacramento the nation’s river city most at-risk of flooding, I work closely with our local flood protection agency, the Sacramento Area Flood Control Agency (SAFCA). Having seen their success with flood insurance outreach, I realize their effort could be replicated across the country. Our local floodplain managers are our best partners in this effort and we at the federal level need to encourage them.”

Through this grant, flood plain managers will have the flexibility to create outreach campaigns that fit their communities. They can focus on the estimated 20 to 25% of property owners who have fallen through the cracks of our flood insurance system. People who are supposed to carry flood insurance, but do not carry it. Or use the money for an educational campaign directed towards people living in areas protected by levees, but not subject to the federal flood insurance requirement.

The grant program is modeled after a flood insurance educational campaign by SAFCA. They used a \$162,000 FEMA grant to reach out to more than 45,000 National Flood Insurance Program (NFIP) policyholders in the American River floodplain. In February of 2005, this densely populated region was released from the Federal flood insurance requirement. SAFCA’s efforts yielded impressive results. More than one year after SAFCA’s outreach, 74% of the 45,000 NFIP policyholders who were removed from the federal requirement had maintained their flood insurance protection. Of this group 43% now carry Preferred Risk flood insurance.

In explaining the importance of this grant program, Congresswoman Matsui stated, "Hurricane Katrina made it painfully clear that we need a strong and functional program to be there for our constituents in times of crisis. This grant program will, in addition to ensuring people who live in flood plain have the financial protection they need in case of a flood, strengthen the national flood insurance program itself by increasing the number of people who carry and retain their flood insurance. This grant program has already proven to be successful."

For FEMA to recoup its initial grant to SAFCA, five hundred and fifty Preferred Risk Policies had to be sold to property owners who otherwise would have canceled their flood insurance. SAFCA accomplished this... more than 20 times over. Because of the FEMA and SAFCA partnership, more than 35,000 property owners who did not have to carry flood insurance stayed in the federal flood insurance pool. What is more, nearly 13,000 policyholders in the American River floodplain switched to Preferred Risk Policies.

Joining the Congresswoman in introducing the legislation are Finance Committee Ranking Member Barney Frank (committee of jurisdiction), Transportation Committee Ranking Member Jim Oberstar, as well as Representatives Earl Blumenauer (OR-3), George Miller (CA-7), John Shimkus (IL-19), Ellen Tauscher (CA-10) and Gene Taylor (MS-4).

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