Congress of the United States
Washington, DC 20515

August 7, 2026

The Honorable Markwayne Mullin
Secretary
U.S. Department of Homeland Security
2707 Martin Luther King Jr. Ave SE
Washington, D.C. 20528

The Honorable Cameron Hamilton
Administrator
Federal Emergency Management Agency
500 C Street SW
Washington, DC 20472

Mr. Patrick Powers
Designated Federal Officer, FEMA Review Council
Office of Partnership and Engagement
Department of Homeland Security
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Re: Flood Resilience Caucus Response on FEMA Review Council Report Key Recommendation 7 — Reform the National Flood Insurance Program (NFIP) for Financial Stability and Risk Resilience

Dear Secretary Mullin, Administrator Hamilton, and Members of the FEMA Review Council:

Thank you for your efforts on the Council's Final Report, specifically under Key Recommendation 7, "Reform the FEMA National Flood Insurance Program (NFIP) for Financial Stability and Risk Resilience." As members of the bipartisan Flood Resilience Caucus, we support the goal of a durable and financially sound National Flood Insurance Program, but any reform must also lower premium costs while improving protection for the homeowners who depend on the program. Per FEMA data, 99% of counties have experienced a flood event in the past two decades.[1] The deadly Central Texas flooding events in two consecutive years underscore that flood risk is not limited to coastal communities, and that it is of the utmost importance to take urgent action to defend our nation's people and properties.

The federal government needs a federal flood insurance program that keeps coverage affordable, narrows the insurance gap, and rewards mitigation—yet Risk Rating 2.0 has undermined these goals. Since its October 2021 rollout, our offices have fielded steady complaints from policyholders about the new pricing methodology, which has increased affordability pressure and widened the coverage gap. The average NFIP policy now costs $1,808 annually, a 103.6% jump over legacy rates.[2]

Participation has fallen accordingly. NFIP peaked at roughly 5.7 million policies in 2009, dropped to 4,899,114 by September 2021, and has since fallen another 8.2% to 4,498,470 as of June 2026. Twenty-seven states have lost more than 10% of their policies in force since Risk Rating 2.0 took effect. Oklahoma—Secretary Mullin's home state—is down 29%, with just 8,251 policies remaining, while Texas alone has lost over 200,000 policyholders.[3]

[1] Federal Emergency Management Agency, National Flood Insurance Program, "What Is My Flood Risk?," FloodSmart.gov, accessed July 19, 2026, https://www.floodsmart.gov/flood-zones-and-maps/what-is-my-flood-risk.
[2] Coalition for Sustainable Flood Insurance, comment on Final Report of the President's Council to Assess the Federal Emergency Management Agency, DHS Docket No. DHS-2026-0067, June 8, 2026.
[3] Coalition for Sustainable Flood Insurance, "CSFI Analysis – NFIP Participation," accessed [July 17, 2026], https://gnoinc.sharepoint.com/:x:/s/Staff/IQApE5_CIIWwSIhhMPMBO8kEAcNTCfSV6Je1LM3ph0QvUqw?rtime=Oz3d9KPl3kg.

Clearly, NFIP reform is necessary. The FEMA Review Council's Final Report provides a platform for this action; however, nuance is needed to achieve desired results in line with FEMA's mission of "helping people before, during and after disasters." Our feedback on the Final Report's sub-recommendations of Recommendation 7 – Reforming the National Flood Insurance Program for Financial Stability and Risk Resilience follows below.

Empower Communities (Better Land-Use Policies)

NFIP's floodplain management standards already save the country roughly $2.4 billion a year in avoided losses, largely due to community-level programs such as the Community Assistance Program – State Support Services Element (CAP-SSSE).[4] FEMA should deepen its partnership with local floodplain managers and groups like the Association of State Floodplain Managers, especially as it redesigns the Community Rating System (CRS). Communities that have invested years of effort to earn CRS discounts should not see that progress wiped out by future changes as these CRS savings flow directly to policyholders.

Modernize Risk Assessment (Update Risk Rating 2.0 & Improve Maps)

Risk Rating 2.0 and NFIP's flood maps now tell policyholders two different, sometimes conflicting, stories about risk. The actuarial, curve-fitting model behind Risk Rating 2.0 should be scrapped, and FEMA should instead pursue a physics-based rating approach that utilizes better data and methods. Many homeowners have flagged inaccurate property-level rating factors with no clear path to correct them; states, communities, and levee districts need a real channel to fix bad data through an appeals, revision, or amendment process. FEMA should also finish national flood mapping and request the funding needed for that effort.

Implement Risk-Based Pricing & Actual Costs

While we do not oppose risk-based pricing, Risk Rating 2.0 was self-certified by its consultant and has never undergone independent review; the consultant's 2022 methodology report acknowledges that the data was not audited or verified for reasonableness.[5] Arbitrary choices, such as pricing off state-level base rates without local input, deserve scrutiny. We urge a formal, ongoing peer review modeled on the Technical Mapping Advisory Council to address data issues such as distance-to-coast calculations and first-floor-height valuations, and to properly credit mitigation investments, such as water-management infrastructure. A technically sound and transparent pricing model is essential to keeping premiums fair and affordable. In the interim, providing policyholders with rating factors on declaration pages and an online tool, as would be required by the NFIP Premium Transparency Act (H.R.9511), would improve visibility into the current pricing methodology.

Revise 'Write Your Own' Compensation

FEMA should work to ensure NFIP has the lowest possible administrative costs, but not at the expense of agents, who remain a primary link between the program and policyholders. Agents carried much of the burden of explaining the changes to Risk Rating 2.0 when it was recently implemented. Cutting compensation now risks weakening agents' incentive to sell flood coverage. Given NFIP's declining policy count and rising premiums, this is not the time to reduce the expense allowance.

Shift to Private Market through Depopulation of Existing NFIP Policies

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[4] Diane P. Horn and Baird Webel, Introduction to the National Flood Insurance Program (NFIP), CRS Report No. R44593 (Congressional Research Service, updated April 2, 2024), https://www.congress.gov/crs-product/R44593.

[5] Milliman, Inc., National Flood Insurance Program Risk Rating 2.0 Methodology and Data Sources (Federal Emergency Management Agency, January 18, 2022).

Shifting the lowest-risk policies to private insurers would leave NFIP with a smaller, more concentrated pool of higher-risk properties. This would increase the program’s average losses, shrink premium revenue, and likely increase NFIP's debt to the U.S. Treasury, thereby exposing the program and taxpayers alike to greater risk. NFIP exists because private insurers exited the flood market in 1968, and nothing prevents that from happening again after a major flood event. Rather than depopulation, FEMA should grow the policyholder base through better customer service, stronger enforcement of purchase requirements, and a Congressionally authorized means-tested affordability program funded by net premium growth and paired with clear incentives for mitigation that keep premiums competitive for homeowners.

Evaluate Development of Flood Insurance Marketplace

We should strengthen NFIP's existing tools before building a new marketplace. NFIP's Direct-to-Consumer quoting tool is a genuine improvement and deserves further investment. For example, FEMA could consider adding a feature that shows homeowners, in dollar terms, how much mitigation measures like elevation could save them. FEMA is uniquely positioned to serve as a resource on risk communication and mitigation and should work with private insurers and data providers to build a shared clearinghouse for rating factors, rather than a centralized national exchange. The aforementioned NFIP Premium Transparency Act would enhance FEMA’s communications arsenal. Alternatively, steering policyholders toward a new private marketplace could add additional costs at a time when Americans are already struggling with cost-of-living burdens. Based on the average $1,808 NFIP premium under Risk Rating 2.0, a marketplace fee could add roughly $180.80 per policyholder.

Address Repetitive Loss Properties

More than 250,000 U.S. properties have suffered repetitive flood losses, and only 16% of them have had that risk reduced. Beyond NFIP itself, sustained federal investment in community-led mitigation is needed to shrink this costly category. We recommend forbearance on NFIP's debt service (an estimated $626 million in FY27), with the savings redirected into the National Flood Mitigation Fund. Debt forgiveness could be tied to measurable progress mitigating repetitive-loss properties; NFIP’s debt was accumulated under the legacy pricing methodology, so FEMA should now have the opportunity to earn debt forgiveness. FEMA's Flood Mitigation Assistance, Hazard Mitigation Grant Program (HMGP), and Building Resilience Infrastructure and Communities (BRIC) program are essential tools for preventing these losses before they happen. These programs should be preserved and improved.

Reform of the NFIP should strengthen the program's finances without shifting unaffordable costs onto homeowners or leaving the most vulnerable communities behind. We appreciate the Council's attention to these issues and welcome the opportunity to work with you to strengthen flood insurance and protection for our constituents. As the NFIP has relied on 34 short-term extensions since 2017 and experienced a 43-day lapse in 2025, Congress and FEMA must pursue a long-term reauthorization of the program that incorporates these recommended reforms, so that Americans have greater certainty and flood risk is reliably addressed.

Sincerely,

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Member of Congress

Mike Ezell
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