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Flood Insurance Reforms to Save Sacramento Homeowners Money

Matsui Provision included in legislation passed that will phase-in rates for Natomas residents, saves residents from dramatic increase in 2013

WASHINGTON, D.C. – Today, as part of the Conference Report on H.R. 4348, Surface Transportation Extension Act of 2012, the House of Representatives passed a long-term reauthorization of the National Flood Insurance Program (NFIP) that contains key provisions fought for by Congresswoman Doris Matsui (D-Sacramento) that will save Sacramento-area homeowners money on their flood insurance policies by phasing in rates in remapped areas over five years, instead of overnight. The Senate is expected to pass bill later today.

“Since 2008 more than 25,000 homeowners in Sacramento, mostly in Natomas, have been remapped, and for them flood insurance is now mandatory. Their rates are set to increase from \$350 to over \$1,350 next year, but this new law will limit the increase to 20% a year over five years. For Sacramento, in 2013, homeowners will effectively pay close to, or the same, as they are currently paying. This is great news for local homeowners, as it makes flood insurance costs affordable, manageable and predictable.”

Due to Congresswoman Matsui’s previous efforts with FEMA, Natomas homeowners were able to purchase the low cost PRP rate flood insurance policies in 2009, 2011 and 2012, but that rate is set to expire at the end of this year. Last year, during debate on the House NFIP bill, Congresswoman Matsui offered an amendment that phases in the rate increase and it passed unanimously with bi-partisan support. Had today’s legislation not been adopted Natomas residents, and residents of other remapped areas, would have seen a \$1,000 increase in the flood insurance bill next year.

Congresswoman Matsui added that “Keeping flood insurance affordable has been a priority of mine since day one. Equally important is finishing the levee improvements that will keep Natomas safe. Now that both the transportation and flood insurance bills are complete, Congress must turn its attention to authorizing, funding and completing the Natomas Levee Improvement Project. The 100,000 residents of Natomas deserve nothing less than a clear signal from Congress that the safety of their community is important.”

The five-year NFIP reauthorization was passed as part of the Conference Report on H.R. 4348 - Surface Transportation Extension Act of 2012 which included a two-year transportation bill and student loan program reforms that will keep interest rates from doubling. Congresswoman Matsui is the author of HR 4353, legislation to federally authorize 42 miles of levee improvements in the Natomas area.

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