WEST VIRGINIA CODE: §33-49-1

§33-49-1. Legislative findings.

(a) The Legislature finds that:

(1) The National Flood Insurance Program is a federal program that enables property owners in participating communities to purchase flood insurance. A community participates in the federal program by adopting and enforcing flood plain management regulations that meet or exceed federal flood plain management criteria designed to reduce future flood risk to new construction in flood plains. The program was created by Congress in 1968 because insurance covering the peril of flood was often unavailable in the private insurance market and was intended to reduce the amount of financial aid paid by the federal government in the aftermath of flood-related disasters. After the creation of the National Flood Insurance Program (NFIP), flood insurance coverage continued to be generally unavailable for purchase from private market insurance companies.

(2) The Biggert-Waters Flood Insurance Reform Act of 2012 reauthorized and revised the National Flood Insurance Program. The act increases flood insurance premiums purchased through the program for second homes, business properties, severe repetitive loss properties and substantially improved damaged properties by requiring premium increases of twenty-five percent per year until premiums meet the full actuarial cost. Most residences lose their subsidized rates if the property is sold, the policy lapses, repeated and severe flood losses occur or a new policy is purchased. Policyholders whose communities adopt a new, updated Flood Insurance Rate Map (FIRM) that results in higher rates will experience a five-year phase in of rate increases to achieve required rate levels.

(3) The Biggert-Waters Flood Insurance Reform Act of 2012 also encourages the use and acceptance of private market flood insurance. The Legislature finds that there is no adequate private flood insurance market available in West Virginia. Such historic and current inadequacy suggests that the private market in this state is unlikely to expand unless the Legislature provides multiple options for the regulation of flood insurance. The Legislature also finds that the consumers of this state would benefit from the availability of competitively priced private market flood insurance due to the continued availability of NFIP flood insurance, the likely availability of alternative private market flood insurance coverage options and the oversight of the Insurance Commissioner of West Virginia.

(4) The National Flood Insurance Program, as amended by the Biggert-Waters Flood Insurance Reform Act of 2012, will prevent many property owners from obtaining affordable flood insurance coverage in this state. The absence of affordable flood insurance threatens the public health, safety and welfare and the economic health of West Virginia. Therefore, the state has a compelling public purpose and interest in providing alternatives to coverage from the National Flood Insurance Program by promoting the availability of flood insurance from private market insurers at potentially lower premium rates so as to facilitate the

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remediation, reconstruction and replacement of damaged or destroyed property in order to reduce or avoid harm to the public health, safety and welfare, to the economy of this state and to the revenues of state and local governments which are needed to provide for the public welfare.

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