

**Opening Statement of the Honorable Bob Ney
Chairman, Subcommittee on Housing and Community Opportunity**

Hearing on

“Flood Map Modernization and the Future of the National Flood Insurance Program”

Thursday, July 12, 2005

Today the Subcommittee on Housing and Community Opportunity meets to continue its review and oversight of the National Flood Insurance Program. Specifically, today’s hearing will focus on FEMA’s program of updating flood maps and how this process affects the flood insurance industry and local communities.

Flood maps identify areas at greatest risk of flooding and provide the foundation for the National Flood Insurance Program. The maps are used by communities to establish minimum building standards designed to reduce the affect of flooding and, also, guide FEMA in setting insurance rates.

However, nearly 70 percent of the country’s flood maps are more than 10 years old, according to FEMA, and reflect outdated data that could affect the ability to accurately identify current flood hazard areas. As a result, the agency is in the middle of implementing a \$1 billion, 5-year map modernization program to update its flood maps. I am hopeful that today’s hearing will give us a better understanding of FEMA’s strategy and the expected benefits of more accurate and accessible flood maps.

Floods have been, and continue to be, one of the most destructive and costly natural hazards to our nation. In the aftermath of Hurricane Dennis this past weekend, I fear many communities in the South and Midwest will witness this unrelenting power firsthand as the tropical depression continues to unload heavy, flooding rains inland.

During this past year, there have been three major floods in my district in eastern Ohio. All three of these incidents qualified for federal relief granted by the President. Recent flooding in January of this year resulted in historic levels in several local dams, and, in Tuscarawas County, three communities were forced to evacuate, which displaced 7,000 people. I was able to witness this devastation first-hand when I toured damaged properties in both Tuscarawas and Guernsey counties. Also, I am planning to hold a field hearing in Tuscarawas County next month to continue the Subcommittee’s oversight of the National Flood Insurance Program.

The National Flood Insurance Program is a valuable tool in addressing the losses incurred throughout this country due to floods. It assures that businesses and families have access to affordable flood insurance that would not be available on the open market.

Prior to the passage of the National Flood Insurance Act in 1968, insurance companies generally did not offer coverage for flood disasters because of the high risks involved. Today, almost 20,000 communities participate in the national flood insurance program. More than 90 insurance companies sell and service flood policies. There are approximately 4.4 million policies covering a total of \$620 billion.

Last year's Flood Insurance Reform Act achieved significant reforms to this important federal program and I look forward to hearing from all of our witnesses today as we discuss FEMA's implementation of its flood mapping policy, as well as determine whether new reforms and initiatives are in order to complement the work we accomplished last year.

Thank you.