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[Home \(/Public/Home\)](#) / [Media \(/Public/Media\)](#) / [Press Releases \(/Public/Press-Releases\)](#)

Kennedy introduces bills to protect Louisiana homeowners from skyrocketing flood insurance costs (/public/press-releases?ID=163E0FEB-4CF9-4C07-BB1B-20D8C0AB41FF)

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WASHINGTON - Sen. John Kennedy (R-La.), a member of the Senate Banking, Housing and Urban Affairs Committee, introduced two bills to lower flood insurance premiums for Louisianians. The Risk Rating 2.0 Transparency Act would require the Federal Emergency Management Agency (FEMA) to publish an explanation of how the agency is determining flood insurance prices under Risk Rating 2.0. The Flood Insurance Affordability Act would cap annual flood insurance premium increases.

"The Biden administration is refusing to show lawmakers the new algorithm it uses to raise flood insurance premiums. Since millions of Louisianians depend on the NFIP to protect their homes from natural disasters, FEMA must come clean about why premiums are skyrocketing under Risk Rating 2.0. In the meantime, my bills would ensure fairer rates for the people of Louisiana," said Kennedy.

Sen. Cindy Hyde-Smith (R-Miss.) cosponsored the Risk Rating 2.0 Transparency Act.

"At a minimum, policyholders deserve to know exactly why their premiums cost as much as they do, especially when that rate is higher than previous years. From the start, FEMA has not been forthcoming with the public or Congress on how it developed the new flood insurance rate structure. This bill would ensure FEMA transparency surrounding Risk Rating 2.0, so homeowners aren't left in the dark," said Hyde-Smith.

Under FEMA's Risk Rating 2.0, Louisiana homeowners expect to see an estimated 122% increase (https://www.nola.com/news/environment/article_913fefb2-2550-11ed-ae92-379bd2be28d4.html) in their flood insurance premiums.

The Risk Rating 2.0 Transparency Act would make FEMA responsible for creating an online data base for policyholders under the National Flood Insurance Program (NFIP). The database would provide information on premium rates and how FEMA sets those rates.

Sen. Marco Rubio (R-Fla.) cosponsored the Flood Insurance Affordability Act.

“Flood insurance is vitally important to Floridians and Americans living in coastal communities. People shouldn’t have to pay an arm and a leg to make sure they are protected. This legislation is common sense,” said Rubio.

The Flood Insurance Affordability Act would lower the statutory limit on annual premium increases on primary resident homeowners under Risk Rating 2.0 from the current limit of 18 percent to nine percent.

Background:

- In July 2022, following Kennedy’s questioning (<https://www.youtube.com/watch?v=OqCIH!!UVXc&t=134s>) of experts, the senator and colleagues urged (<https://www.kennedy.senate.gov/public/2022/7/kennedy-colleagues-urge-fema-to-explain-risk-rating-2-0-pricing-method>) David Maurstad, the Senior Executive of the NFIP at FEMA, to explain the Risk Rating 2.0 pricing methodology for setting NFIP premiums and to publish that information online.

- In March 2022, Kennedy cosponsored the Flood Insurance Pricing Transparency Act (<https://www.kennedy.senate.gov/public/press-releases?ID=EC702E8A-EA5B-42E2-8495-EFCBF3DC8D7>) to help policyholders in Louisiana understand how FEMA calculates flood insurance costs.

- In Feb. 2022, Kennedy urged (https://www.kennedy.senate.gov/public/_cache/files/9/4/943ac86c-5aee-4756-8df3-d0b1535fc354/D123332460E742254B8339FE636197FC.sen.kennedy-letter-to-pres-biden-re-nfp-rr-2-0-2.14.22.pdf) President Joe Biden to stop the implementation of Risk Rating 2.0.

- In Sept. 2021, Kennedy pressed (https://www.kennedy.senate.gov/public/_cache/files/e/c/ec85c052-030a-47b7-8e81-aa900bb8baa/975c945EEE1EC7B6F7615A802F00284B.risk-rating-2-0-delay-letter-final.pdf) FEMA Administrator Deanne Criswell to delay the implementation of Risk Rating 2.0.

- In June 2021, Kennedy questioned (<https://www.kennedy.senate.gov/public/press-releases?ID=4C60306A-3A1B-4891-8B48-DB781C164F38>) FEMA official David Maurstad about Risk Rating 2.0 at a Senate Banking Committee hearing and introduced (<https://www.kennedy.senate.gov/public/2021/6/kennedy-introduces-bill-to-stop-biden-administration-from-unilaterally-raising-flood-insurance-premiums>) the Flood Insurance Fairness Act to stop the Biden administration from unilaterally making changes to NFIP, including Risk Rating 2.0.

- In April 2021, Kennedy called (https://www.kennedy.senate.gov/public/_cache/files/1/5/1547ccb0-37ed-47c3-9e16-d903e87eb0fc/F9E6266FCF4C9DD78FB4922EA957DC0.2021.4.15---nfp-

letter-to-senate-banking.pdf) on Senate Banking Committee Chairman Sherrad Brown (D-Ohio) to hold a hearing to examine Risk Rating 2.0.

Full text of the Risk Rating 2.0 Transparency Act is available here

(https://www.kennedy.senate.gov/public/_cache/files/a/6/a603ff26-90ea-40f8-a82e-ee052cae1dc8/B38A542D7811F153440A19D42B03B8AA.riskrating2.Otransparencyact.pdf).

Full text of the Flood Insurance Affordability Act is here

(https://www.kennedy.senate.gov/public/_cache/files/3/3/333e6c85-be9a-43ea-844f-bc5af537d692/28C7E6B9BF9C4F74A8C4192A81ECB5F3.ehf23142-flood-insurance-affordability-act.pdf).