

Washington, DC -- U.S. Representative Michael A. Arcuri (D-Utica) successfully added an amendment to the Flood Insurance Reform and Modernization Act of 2007 (H.R. 3121), which passed the House yesterday, to create an independent office within the Federal Emergency Management Administration (FEMA) to help local residents navigate the overly bureaucratic and complicated federal flood insurance claims system. Arcuri led the amendment in response to floods in Oneonta and throughout the Southern Tier region last year.

“The City of Oneonta and much of the Southern Tier region were devastated last year by severe flooding and many local communities are still in the process of fully recovering,” **said Arcuri**. “All too often over the last few months, I’ve seen constituents’ lives turned upside-down by flood damage, trapped in a seemingly endless bureaucratic mess - unable to access the funds they need to rebuild. Although my office can be a resource in these situations, we need a better system. This amendment will help reduce the red tape and bureaucratic backlogs that have prevented local businesses and families from receiving flood insurance claims by creating an agent within FEMA to be an advocate for families and businesses.”

Arcuri’s amendment would establish a new National Flood Insurance Advocate within FEMA to help residents find their way through the federal flood insurance program and successfully apply for flood insurance claims. The National Flood Insurance Advocate would provide policy holders across the U.S. with an advocate to represent the interests of the public by investigating and addressing their complaints. The position would be modeled on the successful Taxpayer Advocate Service which has helped countless constituents navigate the Internal Revenue Service’s extremely complicated systems and act on behalf of the taxpayer.

The National Flood Insurance Advocate would have two major responsibilities. He or she would (1) send a comprehensive report to Congress about the major problems facing the Flood Insurance Program and (2) report to Congress about the feasibility and effectiveness of establishing an Office of the Flood Insurance Advocate, headed by the National Flood Insurance Advocate, to assist those affected by flooding in resolving problems with FEMA.

The National Flood Insurance Advocate, appointed by the Director of FEMA, must have a background in customer service and flood insurance, as well as experience representing individuals under the national flood insurance program. The Advocate would report directly to the FEMA Director.

Arcuri was joined by Representative Patrick Murphy (D-PA) in offering this amendment.

H.R. 3121 reauthorizes the National Flood Insurance Program (NFIP) for five years, through FY 2013. It also provides for reforms to the NFIP, improves flood mapping, and expands the NFIP to provide for multiple peril coverage.

H.R. 3121 Would:

- Make the Flood Insurance Program more financially sound by phasing out unnecessary subsidies such as subsidized rates on commercial properties, vacation homes, and second homes built before 1974.
- Encourage participation in the Flood Insurance Program by providing for a new community outreach program and study of how to increase participation by low-income families.
- Require FEMA to report to Congress annually on the financial status of the Flood Insurance Program.
- Oblige FEMA to conduct a thorough review of the nation's flood maps and make updating and modernization of flood maps an ongoing process.
- Address some of the program's weaknesses exposed by the 2005 hurricane season. Under the bill, small business owners will be eligible to purchase business interruption coverage at actuarial rates to better prepare them to meet payroll and other obligations during the next big storm.
- Improve consumer protections by clarifying the disclosures that must be made to consumers about flood insurance.

In April, during a hearing of the Economic Development, Public Buildings, and Emergency Management subcommittee Arcuri questioned a FEMA official regarding FEMA's ability to respond to natural disasters, including the extensive flooding that occurred in Oneonta and throughout the Southern Tier region. Arcuri strongly voiced his concern that FEMA was slighting natural disasters like the flooding that occurred in Oneonta last June.

Arcuri's remarks on the floor of the House during debate on H.R. 3121 in support of his amendment are attached below.

**The Honorable Michael A. Arcuri (NY-24)
In the House of Representatives**

**Floor Consideration of H.R. 3121
Statement in support of Murphy/Arcuri Amendment
Thursday, September 27, 2007**

Thank you, Mr. Chairman.

Mr. Chairman, I rise to join my good friend from Pennsylvania, Mr. Murphy, in strong support of this amendment and the underlying legislation.

I would like to thank the distinguished Chairman of the Financial Services Committee for producing a bill that updates the National Federal Insurance Program to meet the needs of the 21st century. It improves flood mapping, increases financial accountability, and is comprehensive, responsible public policy that will benefit thousands of Americans in the highest risk areas.

Mr. Chairman, across my district in Upstate New York, the increasing frequency and destructive power of rainstorms and snowmelts in recent years has caused flooding disasters, which have seriously damaged homes and businesses in a number of communities. Some of these communities in the Susquehanna River Basin, like the City of Oneonta, suffered a fate last year similar to areas in Pennsylvania situated in the Delaware River Basin.

The City of Oneonta experienced very damaging flooding in June 2006 caused by severe rainstorms. However, it is now September 2007, and there are local homeowners and businessowners still wrestling with FEMA's burdensome claims process waiting on settlements they were assured as National Flood Insurance Program policy holders.

Mr. Chairman, the same is true for the local city government in Oneonta. It took almost one whole year after the disaster for FEMA to fully reimburse the city for repairs to public infrastructure severely damaged during the floods. Even after many months of persistence at the regional FEMA office, the city was left with no recourse and had to seek my office's assistance and intervention. Finally, after encountering hurdle after hurdle for a year, the city received their reimbursement from FEMA.

We should ask ourselves, should we not strive to create MORE efficiency in an agency that is still learning lessons in the aftermath of the Katrina and Rita disasters?

Mr. Chairman, the amendment Mr. Murphy and I are offering today will create an independent office within FEMA. Its primary task will be to help local homeowners and business owners in Upstate NY and across the U.S. to navigate the often tedious and complicated federal flood insurance claims system within the National Flood Insurance Program.

The amendment establishes a “National Flood Insurance Advocate” which would be tasked with providing insurance policy holders across the U.S. with a type of “ombudsman” to represent the public interest by investigating and addressing their complaints. The amendment also requires that the “National Flood Insurance Advocate” to report to the Congress with an analysis of the major problems facing the National Flood Insurance Program and to determine the feasibility and effectiveness of establishing an Office of the Flood Insurance Advocate within FEMA.

This National Flood Insurance Advocate is based on the successful model of the Taxpayer Advocate Service which has helped countless constituents navigate the Internal Revenue Services’ extremely complicated systems and to act on their behalf.

Mr. Chairman, I urge my colleagues to support the adoption of this amendment and urge support for passage of the bill.

Thank you and I yield back the balance of my time.

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