



Property Casualty Insurers
Association of America

Shaping the Future of American Insurance

Contact: Cliston Brown
Phone: 202-639-0497
E-Mail: cliston.brown@pciaa.net

FOR RELEASE ON RECEIPT

September 24, 2008

Continuation of Flood Program Is Paramount Concern

WASHINGTON—David A. Sampson, president and CEO of the Property Casualty Insurers Association of America (PCI), today issued the following statement in response to Tuesday's House passage of H.R. 6965, which would create a short-term extension for the National Flood Insurance Program (NFIP):

"While it would certainly be preferable for Congress to pass a long-term extension with much-needed reforms, the most important thing we must do right now is to make sure that the NFIP does not lapse on Sept. 30th. Expiration of the program could have dire consequences, not just for policyholders but also for the nation's economy at large. Every homeowner with a federally backed mortgage in flood plains must have flood insurance in order to finance a home purchase. If the program expires, real-estate transactions in flood-prone areas would come to a halt. Given the economic challenges we already face, we do not need to compound these issues by allowing the NFIP to run out.

"We will continue to urge the House and Senate to reach agreement expeditiously on a long-term extension, which would be the best solution for renewing and reforming this vital program and restoring its fiscal soundness."

PCI is composed of more than 1,000 member companies, representing the broadest cross-section of insurers of any national trade association. PCI members write over \$194 billion in annual premium, 40.1 percent of the nation's property/casualty insurance. Member companies write 51.3 percent of the U.S. automobile insurance market, 39 percent of the homeowners market, 32.1 percent of the commercial property and liability market, and 38.7 percent of the private workers compensation market.

###

