**NATIONAL CONFERENCE OF INSURANCE LEGISLATORS**

**RESOLUTION ON THE NATIONAL FLOOD INSURANCE**

**PROGRAM (NFIP) ELEVATION CERTIFICATE**

**Adopted by the NCOIL Executive Committee on July 13, 2001.**

WHEREAS, a core objective of the National Conference of Insurance Legislators (NCOIL) is to promote sound insurance public policy that protects consumers and fosters the continued availability and affordability of insurance products; and

WHEREAS, the National Flood Insurance Program (NFIP) is designed to provide affordable flood insurance to consumers; and

WHEREAS, the NFIP has demonstrated itself to be an effective mechanism for the management of flood risks; and

WHEREAS, increased participation in the NFIP would benefit all Americans; and

WHEREAS, the Insurance Legislators Foundation (ILF), a research and educational arm of NCOIL, has acknowledged the importance of the NFIP by agreeing to undertake a study on national flood insurance issues and the development of a state legislator’s guide on flood insurance;

WHEREAS, the success of the NFIP greatly depends on the role of independent insurance agents and its distribution of flood insurance policies; and

WHEREAS, recent changes to elevation reporting processes relating to underwriting has resulted in a significant cost increase to consumers and has implanted confusion into the NFIP in general; and

WHEREAS, the increased uncertainty of rating presented by the new certificate increases the risk of policy reformation, resulting in underpayment or denial of a consumer’s claim; and

WHEREAS, the NFIP’s changes to the elevation determination process shifts all potential liability to the insurance agent – the individual that the NFIP relies upon most to increase program participation; and

WHEREAS, the increased cost to consumers for obtaining an elevation certificate and the correlated increase in liability exposure to agents may serve as a disincentive to consumer and agent participation in the NFIP; and

NOW, THEREFORE, BE IT RESOLVED, that NCOIL encourages the NFIP to re-examine its procedures for determining the appropriate elevations for the issuance of elevation certificates to ensure that it does not adversely affect consumer and agent participation