

SENATE PASSES NATIONAL FLOOD INSURANCE PROGRAM EXTENSION

Program expired May 31; Tonight's action would reactivate NFIP for three more months.

WASHINGTON, D.C., June 30, 2010 — The Independent Insurance Agents & Brokers of America (the Big "I") today commented on the Senate's passage of a short term extension, until Sept. 30, 2010, of the National Flood Insurance Program (NFIP).

"It is alarming that the NFIP was allowed to remain expired for so long, causing so much confusion and potentially leaving desperate homeowners and small businesses unprotected for almost a month," says Robert Rusbuldt, Big "I" president and CEO. "While the Big 'I' is appreciative of Congress extending the program on a temporary basis, we are also greatly concerned that these short expiration periods and patchwork of temporary extensions will negatively impact the market."

Once President Obama signs the bill into law (expected soon), the NFIP should now return to normal operations and, since the extension is also retroactive, any new policy applications or renewals that were signed and submitted during the hiatus will be effective from the date of application (or in the case of waiting periods, the waiting period will start from the date of application).

"This series of temporary extensions and service lapses during such a delicate period in our economy is of great concern to our agents, homeowners, and small businesses," says Charles Symington, Big "I" senior vice president of government affairs. "Though we are grateful that Congress extended the program again, we are increasingly frustrated by this legislative process. The National Flood Insurance Program is meant to provide some level of stability and protection for homeowners and businesses against dangerously unpredictable and costly flooding events, not to be an unpredictable 'here one minute-gone the next' program subject to the vicissitudes of political gamesmanship. The Big 'I' strongly urges Congress to pass a long term extension of this critical program."

The Big "I" asks Congress to act on a long term extension of this important program. The program has worked for more than 40 years to help protect consumers from flood risks, and Congress has traditionally extended the program for five year periods in order to provide stability and security for the marketplace. Unfortunately, Congress has recently only extended the program for short periods, from 30 days to six months. This was the third such lapse this year alone.

Founded in 1896, the Big "I" is the nation's oldest and largest national association of independent insurance agents and brokers, representing a network of more than 300,000 agents, brokers and their employees nationally. Its members are businesses that offer customers a choice of policies from a variety of insurance companies. Independent agents and brokers offer all lines of insurance — property, casualty, life, health, employee benefit plans and retirement products. Web address: www.independentagent.com.