

**PropertyCasualty360.com (Online News)**  
**NFIP Extension Calls on Science to Avoid Future Wind vs. Water Controversies**  
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The National Flood Insurance Program reauthorization includes a provision designed to provide a roadmap for resolving wind-vs.-water conflicts.

The final provision, negotiated by Sen. Roger Wicker, R-Miss., is known as the COASTAL Act, or Consumer Option for an Alternative System to Allocate Losses Act.

Under the provision, claims for total-loss "slab" properties would be double-checked by hurricane data collected by the National Oceanic and Atmospheric Administration in conjunction with engineering formulas to be developed by the Federal Emergency Management Agency.

In 2005, courts dealt with thousands of cases stemming from Hurricanes Rita and Katrina in the Gulf Coast where insurers claimed they owed nothing in cases where flood caused at least some of the loss, citing anti-concurrent provisions in contracts.

The U.S. Court of Appeals for the Fifth Circuit held for the insurers in a 2007 case, determining that the ACC wording excludes wind damage from coverage when storm surge contributes to the loss.

"Homeowners will have easy access to useful data from NOAA and FEMA because of the COASTAL Act," Wicker says. "A scientific approach will benefit homeowners and taxpayers. This is an important step to ensuring NFIP can make correct determinations following a major hurricane."

Use of the COASTAL formula will help prevent the inappropriate shifting of wind claims to the flood program and will empower consumers by providing a better estimation of wind versus water losses, Wicker has argued in seeking congressional support for his legislation.

No vote was held on the COASTAL Act bill Wicker introduced. It was included as part of a deal Wicker negotiated last fall with Sen. Tim Johnson, D-S.D., chairman of the Senate Banking Committee, and Sen. Richard Shelby, R-Ala., ranking minority member of the committee.

They agreed to include a modified version of Wicker's bill in final legislation weeks after the committee reported out its version of NFIP reauthorization legislation last September.

The provision was included in H.R. 4348, the Surface Transportation Extension Act of 2012, which passed Congress last week and extends the NFIP for five years.

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