



For Immediate Release

April 14, 2014

MID Drops Flood Lawsuit

JACKSON- Mississippi's lawsuit against the Federal Flood Insurance program (NFIP) will be withdrawn pending the Federal Emergency Management Agency's (FEMA) implementation of a new law passed by Congress intended to alleviate some of the draconian rate increases facing Mississippi homeowners, Commissioner of Insurance Mike Chaney said today.

Chaney and the Mississippi Insurance Department filed suit on September 26, 2013 seeking to delay or stop the drastic increases and were supported by several other states and entities, including Alabama, Louisiana, Florida, South Carolina and Massachusetts. Partially in response to the Mississippi suit and a rising number of other complaints, Congress changed the law recently.

Lawyers for the Mississippi Insurance Department filed papers Monday which caused the lawsuit to be dismissed, "without prejudice," meaning it can be refiled at any time should the provisions of the new law or the manner in which FEMA implements it is deemed unsatisfactory. Meanwhile, MID lawyers will monitor FEMA's implementation of "The Homeowner Flood Insurance Affordability Act of 2014," passed as H.R. 3370, to ensure the new law does what is necessary to ease the financial burden on homeowners.

In 2012 Congress passed the Biggert-Waters Flood Insurance Reform Act seeking to address some of the shortfalls in the NFIP. However, the law drastically changed the way premiums were calculated, resulting in premium increases in some cases costing thousands of dollars and making the insurance unaffordable for many Mississippians.

“I am very happy that Congress has acted to protect homeowners,” Chaney said. “However, we will have to watch FEMA’s implementation of it to be sure it actually fixes the problem. If it does – fine. If it doesn’t, we are free to refile the lawsuit.”

Chaney said his staff will be monitoring FEMA’s implementation of the law over the next several months.