



National Association of
Professional Surplus Lines
Offices, Ltd.

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The Honorable Dennis Ross
U.S. House of Representatives
229 Cannon House Office Building
Washington, D.C. 20515

The Honorable Patrick Murphy
U.S. House of Representatives
211 Cannon House Office Building
Washington, D.C. 20515

Dear Congressmen Ross and Murphy,

On behalf of its membership, the National Association of Professional Surplus Lines Offices (NAPSLO) is pleased to support H.R. 2901, the *Flood Insurance Market Parity and Modernization Act of 2015*. NAPSLO appreciates your continued leadership and efforts to ensure that consumers have access to private flood insurance options.

NAPSLO is the national trade association representing the surplus lines industry and the wholesale insurance distribution system. NAPSLO's membership consists of approximately 400 brokerage member firms, 100 company member firms and 200 associate member firms, all of whom operate over 1,500 offices representing tens of thousands of individual brokers, insurance company professionals, underwriters and other insurance professionals in the 50 states and the District of Columbia.

The *Flood Insurance Market Parity and Modernization Act of 2015* amends the definition of private flood insurance to ensure surplus lines insurers are eligible to offer private market solutions and alternatives to consumers in need of unique and complex flood risks. Although surplus lines insurance companies are currently allowed to provide private flood insurance, the definition of private flood insurance should be revised to remove any uncertainty that surplus lines insurance companies are eligible to provide insurance in the insured's home state, in accordance with the *Nonadmitted and Reinsurance Reform Act of 2010*, and to ensure policyholders access to the surplus lines market alternatives.

Often called the "safety valve" of the insurance industry, surplus lines insurers (or nonadmitted insurers) fill the need for coverage in the marketplace by insuring those risks that are declined by the standard underwriting and pricing processes of standard/admitted insurance carriers. In this way, NAPSLO does not anticipate expansion in the surplus lines market, except to the extent the demand for flood insurance exceed that available from the NFIP or standard market. By ensuring the surplus lines industry can continue to participate in this fashion, your legislation ensures that consumers have private options available to them, should they need it.

NAPSLO again thanks and congratulates you on the introduction of common-sense legislation that helps preserve consumers' access to private flood insurance solutions.