



NEWS RELEASE

Neptune Flood Research Group Outlines a Path Forward for the National Flood Insurance Program

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Leading flood insurance provider explores a practical approach to reducing NFIP reliance

ST. PETERSBURG, Fla., Oct. 8, 2025 /PRNewswire/ -- For more than 50 years, the private insurance industry was unable to take on the flood peril, making the National Flood Insurance Program (NFIP) essential in reducing systemic risk. That is no longer the case.

The NFIP is \$22.525 billion in debt (including a \$2 billion increase in 2025), and every new policy sold adds risk to the U.S. taxpayer. This debt level would have been even higher if Congress had not forgiven \$16 billion in 2018. The NFIP continues to take on risks that the private market is ready and better prepared to manage.

[The latest issue](#) by Neptune Research Group explores a practical shift:

- **Continue offering renewals to existing NFIP customers.** Current NFIP policyholders should be able to maintain their coverage for as long as they own their property.
- **Stop selling new NFIP policies.** The private market already has the tools, technology, and capacity to manage the risk that the NFIP continues to add. Unlike many legacy renewals, which are still capped on a glide path, new NFIP policies are charged the full Risk Rating 2.0 rate. Private insurers often offer lower premiums than the NFIP full-risk price.
- **Maintain a small safety net.** For the small group (about 5%) who can't get private coverage after documented declinations, the NFIP would continue to serve as a last-resort option.

This transition could be implemented by the Administration without new legislation, as outlined in a FEMA memo

that included the option to halt new NFIP enrollments.

The case for action is straightforward, and the benefits are clear:

- 95% of new policyholders are eligible for coverage in the private market.
- 60% of new policyholders would pay less in the private market than they would with the NFIP.
- \$550-700mm in premiums would shift to the private market each year.
- 6-7 years is the transition period until 95% of NFIP policies are transferred to the private market.

[Click here to view the complete analysis.](#)

About Neptune Flood

Founded in 2018, Neptune Flood is a leading, data-driven managing general agent offering a range of easy-to-purchase residential and commercial insurance products, including primary flood and excess flood insurance, distributed through a nationwide network of agencies. Leveraging proprietary artificial intelligence and advanced data science, Neptune delivers fast, accurate, and accessible coverage for residential and commercial properties across the United States. The company operates without human underwriters, using its cutting-edge platform to streamline underwriting, pricing, and policy issuance.

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