



Written by [John Stossel](#) on January 10, 2024

## Flooded With Good Intentions

Sen. John Kennedy is upset because Sen. Rand Paul wants to limit federal flood insurance.

But Paul is right. In my new video, Paul says, “(It) shouldn’t be for rich people.”

That should be obvious. Actually, federal flood insurance shouldn’t be for anyone. Government has no business offering it. That’s a job for ... the insurance business.

Of course, when actual insurance businesses, with their own money on the line, checked out what some people wanted them to insure, they said, “Heck no! If you build in a dangerous place, risk your own money!”

Politically connected homeowners who own property on the edges of rivers and oceans didn’t like that. They whined to congressmen, crying, “We can’t get insurance! Do something!”

Craven politicians obliged. Bureaucrats at the Federal Emergency Management Agency even claim they *have* to issue government insurance because, “There weren’t many affordable options for private flood insurance, especially for people living in high-risk places.”

But that’s the point! A valuable function of private insurance is to warn people away from high-risk places.

But instead of heeding that warning, politicians said, “Don’t worry. Since private companies won’t insure you, we will.”

Of course, the politicians claimed they’d price the insurance properly so they wouldn’t lose taxpayer money.

“We must (do) everything we can to protect taxpayer dollars.” said Colorado Sen. Wayne Allard.

But Paul points out, “Like most things in government, they continue to lose money.”

So far, the government lost \$36 billion of your money.

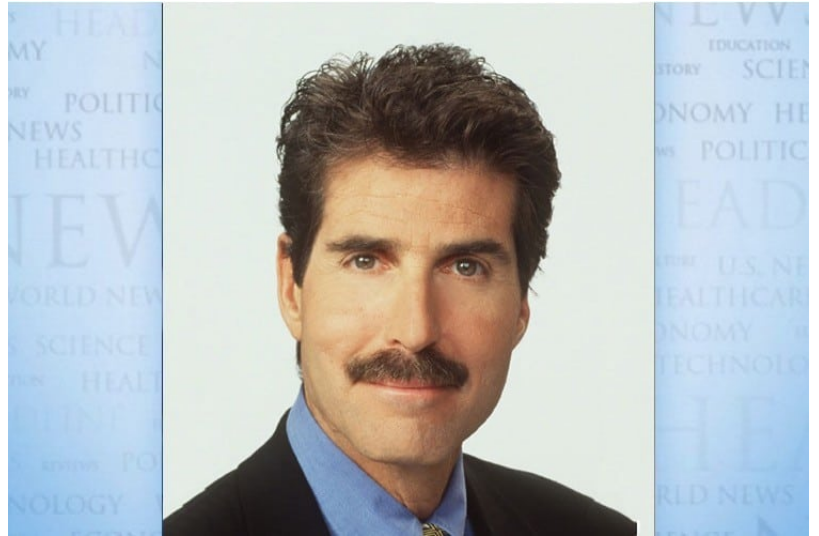
Yet they still insure people who can’t get private insurance.

Kennedy thinks that’s fine. “The first role of government is to protect people and property,” he shouts from the Senate floor. “I thought this is what libertarians believe.”

No, Senator, we believe government should protect our right to life, liberty and the pursuit of happiness, and then leave us mostly alone.

By insuring risky property, Paul points out, “You’re actually doing the opposite of what you would think government would want to do; you’re promoting bad behavior.”

Exactly.



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Years ago, Federal Flood Insurance encouraged my bad behavior.

I wanted to build a house on a beach. When I asked my father to help with the mortgage, he said, “No! Are you crazy? It’s on the edge of an ocean!”

Dad was right. It was a dumb place to build. But I built anyway, because Federal flood insurance, idiotically, guaranteed that I wouldn’t lose money.

I enjoyed my house for ten years, but then, as predicted, it washed away.

It was an upsetting loss, but thanks to Uncle Sam, I didn’t lose a penny.

I’m grateful. But it’s wrong that you were forced to pay for my beach house.

Paul is right to say that people with second homes “should not get insurance through the government.”

Actually, *no one* should get flood insurance through the government, but Paul fears that his irresponsible colleagues won’t approve killing the handout altogether. Instead, he just proposes limiting the handout to primary residences.

It would be a start.

But even this slight reform is too much for Kennedy, who says, “If you earn enough to buy a second home, we shouldn’t discourage that.”

No, we shouldn’t.

But we shouldn’t *subsidize* it with taxpayer money!

Doesn’t he get the difference?

Federal flood insurance is like buying drunk drivers new cars.

Adding to the idiocy, there is no limit on how many times the government will give away your money.

“One home in Virginia,” says Paul, “they’ve rebuilt the house 41 times!”

I took your money once. I apologize for taking it, but when my government offers me a handout, I feel stupid *not* taking it.

Let’s get rid of federal flood insurance and all subsidies that encourage people to do foolish things.

*Every Tuesday at [JohnStossel.com](http://JohnStossel.com), Stossel posts a new video about the battle between government and freedom.*

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