Flood insurance is a critical issue driven by federal law and policy with significant implications for local governments throughout the Mid-Atlantic region. Although planning and policy decisions in the United States for flood mitigation, response, and recovery are largely made at the municipal government level, these decisions are profoundly influenced by a range of policy instruments, regulatory requirements, and financial incentives at both a federal and a state level. The National Flood Insurance Program (NFIP) is the nation’s lead mechanism both to compensate homeowners and businesses for losses from flooding. This session discusses some of the complexities of how NFIP affects Pennsylvania residents, especially the problems faced by smaller communities.