

115TH CONGRESS  
1ST SESSION

# H. R. 2874

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## AN ACT

To achieve reforms to improve the financial stability of the National Flood Insurance Program, to enhance the development of more accurate estimates of flood risk through new technology and better maps, to increase the role of private markets in the management of flood insurance risks, and to provide for alternative methods to insure against flood peril, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
 2        *tives of the United States of America in Congress assembled,*

3        **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

4        (a) SHORT TITLE.—This Act may be cited as the  
 5        “21st Century Flood Reform Act”.

6        (b) TABLE OF CONTENTS.—The table of contents for  
 7        this Act is as follows:

Sec. 1. Short title and table of contents.

TITLE I—POLICYHOLDER PROTECTIONS AND INFORMATION

- Sec. 101. Extension of National Flood Insurance Program.
- Sec. 102. Annual limitation on premium increases.
- Sec. 103. Flood insurance affordability program.
- Sec. 104. Disclosure of premium methodology.
- Sec. 105. Consideration of coastal and inland locations in premium rates.
- Sec. 106. Monthly installment payment of premiums.
- Sec. 107. Enhanced clear communication of flood risks.
- Sec. 108. Availability of flood insurance information upon request.
- Sec. 109. Disclosure of flood risk information upon transfer of property.
- Sec. 110. Voluntary community-based flood insurance pilot program.
- Sec. 111. Use of replacement cost in determining premium rates.
- Sec. 112. Cap on premiums.
- Sec. 113. Premium rates for certain mitigated properties.
- Sec. 114. Study of flood insurance coverage for units in cooperative housing.
- Sec. 115. Pilot program for properties with preexisting conditions.
- Sec. 116. Federal Flood Insurance Advisory Committee.
- Sec. 117. Interagency guidance on compliance.
- Sec. 118. GAO study of claims adjustment practices.
- Sec. 119. GAO study of flood insurance coverage treatment of earth movement.
- Sec. 120. Definitions.

TITLE II—INCREASING CONSUMER CHOICE THROUGH PRIVATE  
MARKET DEVELOPMENT

- Sec. 201. Private flood insurance.
- Sec. 202. Opt-out of mandatory coverage requirement for commercial prop-  
erties.
- Sec. 203. Elimination of non-compete requirement.
- Sec. 204. Public availability of program information.
- Sec. 205. Refund of premiums upon cancellation of policy because of replace-  
ment with private flood insurance.
- Sec. 206. GAO study of flood damage savings accounts.
- Sec. 207. Demonstration program for flood damage savings accounts.

TITLE III—MAPPING FAIRNESS

- Sec. 301. Use of other risk assessment tools in determining premium rates.

- Sec. 302. Appeals regarding existing flood maps.
- Sec. 303. Appeals and publication of projected special flood hazard areas.
- Sec. 304. Communication and outreach regarding map changes.
- Sec. 305. Sharing and use of maps and data.
- Sec. 306. Community flood maps.

#### TITLE IV—PROTECTING CONSUMERS AND INDIVIDUALS THROUGH IMPROVED MITIGATION

- Sec. 401. Provision of Community Rating System premium credits to maximum number of communities practicable.
- Sec. 402. Community accountability for repetitively flooded areas.
- Sec. 403. Increased cost of compliance coverage.

#### TITLE V—PROGRAM INTEGRITY

- Sec. 501. Independent actuarial review.
- Sec. 502. Adjustments to homeowner flood insurance affordability surcharge.
- Sec. 503. National Flood Insurance Reserve Fund compliance.
- Sec. 504. Designation and treatment of multiple-loss properties.
- Sec. 505. Elimination of coverage for properties with excessive lifetime claims.
- Sec. 506. Pay for performance and streamlining costs and reimbursement.
- Sec. 507. Enforcement of mandatory purchase requirements.
- Sec. 508. Satisfaction of mandatory purchase requirement in States allowing all-perils policies.
- Sec. 509. Flood insurance purchase requirements.
- Sec. 510. Clarifications; deadline for approval of claims.
- Sec. 511. Risk transfer requirement.
- Sec. 512. GAO study of simplification of National Flood Insurance Program.
- Sec. 513. GAO study on enforcement of mandatory purchase requirements.

#### TITLE VI—ADMINISTRATIVE REFORMS

- Sec. 601. Penalties for fraud and false statements in the National Flood Insurance Program.
- Sec. 602. Enhanced policyholder appeals process rights.
- Sec. 603. Deadline for approval of claims.
- Sec. 604. Litigation process oversight and reform.
- Sec. 605. Prohibition on hiring disbarred attorneys.
- Sec. 606. Technical assistance reports.
- Sec. 607. Improved disclosure requirement for standard flood insurance policies.
- Sec. 608. Reserve Fund amounts.
- Sec. 609. Sufficient staffing for Office of Flood Insurance Advocate.
- Sec. 610. Limited exemption for disaster or catastrophe claims adjusters.

1 **TITLE I—POLICYHOLDER PRO-**  
2 **TECTIONS AND INFORMATION**

3 **SEC. 101. EXTENSION OF NATIONAL FLOOD INSURANCE**  
4 **PROGRAM.**

5 (a) FINANCING.—Section 1309(a) of the National  
6 Flood Insurance Act of 1968 (42 U.S.C. 4016(a)) is  
7 amended by striking “September 30, 2017” and inserting  
8 “September 30, 2022”.

9 (b) PROGRAM EXPIRATION.—Section 1319 of the Na-  
10 tional Flood Insurance Act of 1968 (42 U.S.C. 4026) is  
11 amended by striking “September 30, 2017” and inserting  
12 “September 30, 2022”.

13 **SEC. 102. ANNUAL LIMITATION ON PREMIUM INCREASES.**

14 Section 1308(e) of the National Flood Insurance Act  
15 of 1968 (42 U.S.C. 4015(e)) is amended—

16 (1) in paragraph (1), by striking “18 percent”  
17 and inserting “15 percent”; and

18 (2) in paragraph (2)—

19 (A) by striking “5 percent” and inserting  
20 “6.5 percent”; and

21 (B) by inserting before the semicolon at  
22 the end the following: “, except that (A) during  
23 the 12-month period on the date of the enact-  
24 ment of the 21st Century Flood Reform Act  
25 this paragraph shall be applied by substituting

1           ‘5 percent’ for ‘6.5 percent’, (B) during the 12-  
 2           month period beginning upon the expiration of  
 3           the period referred to in clause (A), this para-  
 4           graph shall be applied by substituting ‘5.5 per-  
 5           cent’ for ‘6.5 percent’, and (C) during the 12-  
 6           month period beginning upon the expiration of  
 7           the period referred to in clause (B), this para-  
 8           graph shall be applied by substituting ‘6.0 per-  
 9           cent’ for ‘6.5 percent’”.

10 **SEC. 103. FLOOD INSURANCE AFFORDABILITY PROGRAM.**

11           Chapter I of the National Flood Insurance Act of  
 12           1968 (42 U.S.C. 4011 et seq.) is amended by adding at  
 13           the end the following new section:

14 **“SEC. 1326. FLOOD INSURANCE AFFORDABILITY PROGRAM.**

15           “(a) **AUTHORITY.**—The Administrator shall carry out  
 16           a program under this section to provide financial assist-  
 17           ance, through State programs carried out by participating  
 18           States, for eligible low-income households residing in eligi-  
 19           ble properties to purchase policies for flood insurance cov-  
 20           erage made available under this title.

21           “(b) **PARTICIPATION.**—Participation in the program  
 22           under this section shall be voluntary on the part of a State  
 23           or consortium of States.

24           “(c) **STATE ADMINISTRATION.**—Each participating  
 25           State shall delegate to a State agency or nonprofit organi-

1 zation the responsibilities for administering the State’s  
2 program under this section.

3 “(d) ELIGIBLE HOUSEHOLDS.—

4 “(1) IN GENERAL.—During any fiscal year, as-  
5 sistance under the program under this section may  
6 be provided only for a household that has an income,  
7 as determined for such fiscal year by the partici-  
8 pating State in which such household resides, that is  
9 less than the income limitation established for such  
10 fiscal year for purposes of the State program by the  
11 participating State, except that—

12 “(A) assistance under the program under  
13 this section may not be provided for a house-  
14 hold having a income that exceeds the greater  
15 of—

16 “(i) the amount equal to 150 percent  
17 of the poverty level for such State; or

18 “(ii) the amount equal to 60 percent  
19 of the median income of households resid-  
20 ing in such State; and

21 “(B) a State may not exclude a household  
22 from eligibility in a fiscal year solely on the  
23 basis of household income if such income is less  
24 than 110 percent of the poverty level for the  
25 State in which such household resides.

1           “(2) STATE VERIFICATION OF INCOME ELIGI-  
2           BILITY.—In verifying income eligibility for purposes  
3           of paragraph (1), the participating State may apply  
4           procedures and policies consistent with procedures  
5           and policies used by the State agency administering  
6           programs under part A of title IV of the Social Se-  
7           curity Act (42 U.S.C. 601 et seq.), under title XX  
8           of the Social Security Act (42 U.S.C. 1397 et seq.),  
9           under subtitle B of title VI of the Omnibus Budget  
10          Reconciliation Act of 1981 (42 U.S.C. 9901 et seq.;  
11          relating to community services block grant pro-  
12          gram), under any other provision of law that carries  
13          out programs which were administered under the  
14          Economic Opportunity Act of 1964 (42 U.S.C. 2701  
15          et seq.) before August 13, 1981, or under other in-  
16          come assistance or service programs (as determined  
17          by the State).

18          “(3) CERTIFICATION BY STATE OF ELIGIBILITY  
19          HOUSEHOLDS.—For each fiscal year, each partici-  
20          pating State shall certify to the Administrator com-  
21          pliance of households who are to be provided assist-  
22          ance under the State program during such fiscal  
23          year with the income requirements under paragraph  
24          (1).

1       “(e) ELIGIBLE PROPERTIES.—Assistance under the  
2 program under this section may be provided only for a  
3 residential property—

4               “(1) that has 4 or fewer residences;

5               “(2) that is owned and occupied by an eligible  
6 household;

7               “(3) for which a base flood elevation is identi-  
8 fied on a flood insurance rate map of the Adminis-  
9 trator that is in effect;

10              “(4) for which such other information is avail-  
11 able as the Administrator considers necessary to de-  
12 termine the flood risk associated with such property;  
13 and

14              “(5) that is located in a community that is par-  
15 ticipating in the national flood insurance program.

16       “(f) TYPES OF ASSISTANCE.—Under the program  
17 under this section, a participating State shall elect to pro-  
18 vide financial assistance for eligible households in one of  
19 the following forms:

20              “(1) LIMITATION ON RATE INCREASES.—By es-  
21 tablishing a limitation on the rate of increases in the  
22 amount of chargeable premiums paid by eligible  
23 households for flood insurance coverage made avail-  
24 able under this title.



1           “(2) LIMITATION ON RATES.—By establishing a  
2           limitation on the amount of chargeable premiums  
3           paid by eligible households for flood insurance cov-  
4           erage made available under this title.

5           “(g) NOTIFICATION TO FEMA.—Under the program  
6           under this section, a participating State shall, on a fiscal  
7           year basis and at the time and in the manner provided  
8           by the Administrator—

9           “(1) identify for the Administrator the eligible  
10          households residing in the State who are to be pro-  
11          vided assistance under the State program during  
12          such fiscal year; and

13          “(2) notify the Administrator of the type and  
14          levels of assistance elected under subsection (f) to be  
15          provided under the State program with respect to  
16          such eligible households residing in the State.

17          “(h) AMOUNT OF ASSISTANCE.—Under the program  
18          under this section, in each fiscal year the Administrator  
19          shall, notwithstanding section 1308, make flood insurance  
20          coverage available for purchase by households identified  
21          as eligible households for such fiscal year by a partici-  
22          pating State pursuant to subsection (e) at chargeable pre-  
23          mium rates that are discounted by an amount that is  
24          based on the type and levels of assistance elected pursuant

1 to subsection (f) by the participating State for such fiscal  
2 year.

3 “(i) BILLING STATEMENT.—In the case of an eligible  
4 household for which assistance under the program under  
5 this section is provided with respect to a policy for flood  
6 insurance coverage, the annual billing statement for such  
7 policy shall include statements of the following amounts:

8 “(1) The estimated risk premium rate for the  
9 property under section 1307(a)(1).

10 “(2) If applicable, the estimated risk premium  
11 rate for the property under section 1307(a)(2).

12 “(3) The chargeable risk premium rate for the  
13 property taking into consideration the discount pur-  
14 suant to subsection (h).

15 “(4) The amount of the discount pursuant to  
16 subsection (h) for the property.

17 “(5) The number and dollar value of claims  
18 filed for the property, over the life of the property,  
19 under a flood insurance policy made available under  
20 the Program and the effect, under this Act, of filing  
21 any further claims under a flood insurance policy  
22 with respect to that property.

23 “(j) FUNDING THROUGH STATE AFFORDABILITY  
24 SURCHARGES.—

1           “(1) IMPOSITION AND COLLECTION.—Notwith-  
2           standing section 1308, for each fiscal year in which  
3           flood insurance coverage under this title is made  
4           available for properties in a participating State at  
5           chargeable premium rates that are discounted pursu-  
6           ant to subsection (f), the Administrator shall impose  
7           and collect a State affordability surcharge on each  
8           policy for flood insurance coverage for a property lo-  
9           cated in such participating State that is (A) not a  
10          residential property having 4 or fewer residences, or  
11          (B) is such a residential property but is owned by  
12          a household that is not an eligible household for pur-  
13          poses of such fiscal year.

14          “(2) AMOUNT.—The amount of the State af-  
15          fordability surcharge imposed during a fiscal year on  
16          each such policy for a property in a participating  
17          State shall be—

18               “(A) sufficient such that the aggregate  
19               amount of all such State affordability sur-  
20               charges imposed on properties in such partici-  
21               pating State during such fiscal year is equal to  
22               the aggregate amount by which all policies for  
23               flood insurance coverage under this title sold  
24               during such fiscal year for properties owned by

1 eligible households in the participating State  
2 are discounted pursuant to subsection (f); and

3 “(B) the same amount for each property in  
4 the participating State being charged such a  
5 surplus.

6 “(k) TREATMENT OF OTHER SURCHARGES.—The  
7 provision of assistance under the program under this sec-  
8 tion with respect to any property and any limitation on  
9 premiums or premium increases pursuant to subsection (f)  
10 for the property shall not affect the applicability or  
11 amount of any surcharge under section 1308A for the  
12 property, of any increase in premiums charged for the  
13 property pursuant to section 1310A(c), or of any equiva-  
14 lency fee under section 1308B for the property.

15 “(l) DEFINITIONS.—For purposes of this section, the  
16 following definitions shall apply:

17 “(1) PARTICIPATING STATE.—The term ‘par-  
18 ticipating State’ means, with respect to a fiscal year,  
19 a State that is participating in the program under  
20 this section for such fiscal year.

21 “(2) ELIGIBLE HOUSEHOLD.—The term ‘eligi-  
22 ble household’ means, with respect to a fiscal year  
23 and a participating State, a household that has an  
24 income that is less than the amount of the income  
25 limitation for the fiscal year established for purposes

1 of the State program of such participating State  
 2 pursuant to subsection (g)(1).

3 “(3) POVERTY LEVEL.—The term ‘poverty  
 4 level’ means, with respect to a household in any  
 5 State, the income poverty line as prescribed and re-  
 6 vised at least annually pursuant to section 673(2) of  
 7 the Community Services Block Grant Act (42 U.S.C.  
 8 9902(2)), as applicable to such State.

9 “(4) STATE.—The term ‘State’ shall include a  
 10 consortium of States established for purposes of ad-  
 11 ministrating the program under this section with re-  
 12 spect to the member States of the consortium.

13 “(5) STATE PROGRAM.—The term ‘State pro-  
 14 gram’ means a program carried out in compliance  
 15 with this section by a participating State in conjunc-  
 16 tion with the program under this section of the Ad-  
 17 ministrator.

18 “(m) REGULATIONS.—The Administrator shall issue  
 19 such regulations as may be necessary to carry out the pro-  
 20 gram under this section.”.

21 **SEC. 104. DISCLOSURE OF PREMIUM METHODOLOGY.**

22 Section 1308 of the National Flood Insurance Act of  
 23 1968 (42 U.S.C. 4015) is amended by adding at the end  
 24 the following new subsection:

25 “(n) DISCLOSURE OF PREMIUM METHODOLOGY.—

1           “(1) DISCLOSURE.—Six months prior to the ef-  
2       fective date of risk premium rates, the Adminis-  
3       trator shall cause to be published in the Federal  
4       Register an explanation of the bases for, and meth-  
5       odology used to determine, the chargeable premium  
6       rates to be effective for flood insurance coverage  
7       under this title.

8           “(2) ALIGNMENT WITH INDUSTRY PRAC-  
9       TICES.—The disclosure required under paragraph  
10      (1) shall, to the extent practicable, be aligned with  
11      industry patterns and practices and shall include in-  
12      formation and data recommended by the State in-  
13      surance commissioners guidelines on rate filings.

14          “(3) PUBLIC MEETINGS.—The Administrator  
15      shall, on an annual basis, hold at least one public  
16      meeting in each of the geographical regions of the  
17      United States, as defined by the Administrator for  
18      purposes of the National Flood Insurance Program,  
19      for the purpose of explaining the methodology de-  
20      scribed in paragraph (1) and answering questions  
21      and receiving comments regarding such method-  
22      ology. The Administrator shall provide notice of each  
23      such public meeting in advance, in such manner, and  
24      in using such means as are reasonably designed to  
25      notify interested parties and members of the public

1 of the date and time, location, and purpose of such  
 2 meeting, and of how to submit questions or com-  
 3 ments.”.

4 **SEC. 105. CONSIDERATION OF COASTAL AND INLAND LOCA-**  
 5 **TIONS IN PREMIUM RATES.**

6 (a) ESTIMATES OF PREMIUM RATES.—Subparagraph  
 7 (A) of section 1307(a)(1) of the National Flood Insurance  
 8 Act of 1968 (42 U.S.C. 4014(a)(1)(A)) is amended—

9 (1) in clause (i), by striking “and” at the end;  
 10 and

11 (2) by adding at the end the following new  
 12 clause:

13 “(iii) the differences in flood risk for  
 14 properties impacted by coastal flood risk  
 15 and properties impacted by riverine, or in-  
 16 land flood risk; and”.

17 (b) ESTABLISHMENT OF CHARGEABLE PREMIUM  
 18 RATES.—Paragraph (1) of section 1308(b) of the Na-  
 19 tional Flood Insurance Act of 1968 (42 U.S.C.  
 20 4015(b)(1)) is amended by inserting “due to differences  
 21 in flood risk resulting from coastal flood hazards and  
 22 riverine, or inland flood hazards and” after “including dif-  
 23 ferences in risks”.

24 (c) REVISED RATES.—Not later than the expiration  
 25 of the two-year period beginning on the date of the enact-

1 ment of this Act, the Administrator of the Federal Emer-  
 2 gency Management Agency shall revise risk premium rates  
 3 under the National Flood Insurance Program to imple-  
 4 ment the amendments made by this section.

5 **SEC. 106. MONTHLY INSTALLMENT PAYMENT OF PRE-**  
 6 **MIUMS.**

7 (a) **AUTHORITY.**—Subsection (g) of section 1308 of  
 8 the National Flood Insurance Act of 1968 (42 U.S.C.  
 9 4015(g)) is amended—

10 (1) by striking the subsection designation and  
 11 all that follows through “With respect” and insert-  
 12 ing the following:

13 “(g) **FREQUENCY OF PREMIUM COLLECTION.**—

14 “(1) **OPTIONS.**—With respect”; and

15 (2) by adding at the end the following:

16 “(2) **MONTHLY INSTALLMENT PAYMENT OF**  
 17 **PREMIUMS.**—

18 “(A) **EXEMPTION FROM RULEMAKING.**—

19 Until such time as the Administrator promul-  
 20 gates regulations implementing paragraph (1)  
 21 of this subsection, the Administrator may adopt  
 22 policies and procedures, notwithstanding any  
 23 other provisions of law and in alignment and  
 24 consistent with existing industry escrow and  
 25 servicing standards, necessary to implement



1 such paragraph without undergoing notice and  
2 comment rulemaking and without conducting  
3 regulatory analyses otherwise required by statute,  
4 regulation, or Executive order.

5 “(B) PILOT PROGRAM.—The Administrator  
6 may initially implement paragraph (1) of  
7 this subsection as a pilot program that provides  
8 for a gradual phase-in of implementation.

9 “(C) POLICYHOLDER PROTECTION.—The  
10 Administrator may—

11 “(i) during the 12-month period beginning  
12 on the date of the enactment of  
13 this subparagraph, charge policyholders  
14 choosing to pay premiums in monthly installments  
15 a fee for the total cost of the  
16 monthly collection of premiums not to exceed  
17 \$25 annually; and

18 “(ii) after the expiration of the 12-month  
19 period referred to in clause (i), adjust  
20 the fee charged annually to cover the  
21 total cost of the monthly collection of premiums  
22 as determined by the report submitted  
23 pursuant to subparagraph (D).

24 “(D) REPORT.—Not later than six months  
25 after the date of the enactment of this Act, the

1 Comptroller General shall submit a report to  
2 the Committee on Financial Services of the  
3 House of Representatives and the Committee  
4 on Banking, Housing, and Urban Affairs of the  
5 Senate, that sets forth all of the costs associ-  
6 ated with the monthly payment of premiums,  
7 including any up-front costs associated with in-  
8 frastructure development, the impact on all pol-  
9 icyholders including those that exercise the op-  
10 tion to pay monthly and those that do not, op-  
11 tions for minimizing the costs, particularly the  
12 costs to policyholders, and the feasibility of  
13 adopting practices that serve to minimize costs  
14 to policyholders such as automatic payments  
15 and electronic payments.

16 “(E) ANNUAL REPORTS.—On an annual  
17 basis, the Administrator shall report to the  
18 Committee on Financial Services of the House  
19 of Representatives and the Committee on Bank-  
20 ing, Housing, and Urban Affairs of the Senate  
21 the ongoing costs associated with the monthly  
22 payment of premiums.”.

23 (b) IMPLEMENTATION.—Clause (ii) of section  
24 1307(a)(1)(B) of the National Flood Insurance Act of  
25 1968 (42 U.S.C. 4014(a)(1)(B)(ii)) is amended by insert-

ing before “any administrative expenses” the following:  
 “the costs associated with the monthly collection of pre-  
 miums provided for in section 1308(g) (42 U.S.C.  
 4015(g)), but only if such costs exceed the operating costs  
 and allowances set forth in clause (i) of this subparagraph,  
 and”.

**SEC. 107. ENHANCED CLEAR COMMUNICATION OF FLOOD  
 RISKS.**

(a) IN GENERAL.—Subsection (l) of section 1308 of  
 the National Flood Insurance Act of 1968 (42 U.S.C.  
 4015(l)) is amended to read as follows:

“(l) CLEAR COMMUNICATIONS.—

“(1) NEWLY ISSUED AND RENEWED POLI-  
 CIES.—For all policies for flood insurance coverage  
 under the National Flood Insurance Program that  
 are newly issued or renewed, the Administrator shall  
 clearly communicate to policyholders—

“(A) their full flood risk determinations,  
 regardless of whether their premium rates are  
 full actuarial rates; and

“(B) the number and dollar value of claims  
 filed for the property, over the life of the prop-  
 erty, under a flood insurance policy made avail-  
 able under the Program and the effect, under  
 this Act, of filing any further claims under a

1 flood insurance policy with respect to that prop-  
2 erty.”.

3 (b) **EFFECTIVE DATE.**—Subsection (l) of section  
4 1308 of the National Flood Insurance Act of 1968, as  
5 added by subsection (a) of this section, shall take effect  
6 beginning upon the expiration of the 12-month period that  
7 begins on the date of the enactment of this Act. Such sub-  
8 section (l), as in effect immediately before the amendment  
9 made by paragraph (1), shall apply during such 12-month  
10 period.

11 **SEC. 108. AVAILABILITY OF FLOOD INSURANCE INFORMA-**  
12 **TION UPON REQUEST.**

13 Section 1313 of the National Flood Insurance Act of  
14 1968 (42 U.S.C. 4020) is amended—

15 (1) by inserting “(a) **PUBLIC INFORMATION**  
16 **AND DATA.**—” after “SEC. 1313.”; and

17 (2) by adding at the end the following new sub-  
18 section:

19 “(b) **AVAILABILITY OF FLOOD INSURANCE INFORMA-**  
20 **TION UPON REQUEST.**—Not later than 30 days after a  
21 request for such information by the current owner of a  
22 property, the Administrator shall provide to the owner any  
23 information, including historical information, available to  
24 the Administrator on flood insurance program coverage,  
25 payment of claims, and flood damages for the property

1 at issue, and any information the Administrator has on  
 2 whether the property owner may be required to purchase  
 3 coverage under the National Flood Insurance Program  
 4 due to previous receipt of Federal disaster assistance, in-  
 5 cluding assistance provided by the Small Business Admin-  
 6 istration, the Department of Housing and Urban Develop-  
 7 ment, or the Federal Emergency Management Agency, or  
 8 any other type of assistance that subjects the property to  
 9 the mandatory purchase requirement under section 102  
 10 of the Flood Disaster Protection Act of 1973 (42 U.S.C.  
 11 4012a).”.

12 **SEC. 109. DISCLOSURE OF FLOOD RISK INFORMATION**  
 13 **UPON TRANSFER OF PROPERTY.**

14 (a) IN GENERAL.—Chapter 1 of the National Flood  
 15 Insurance Act of 1968 (42 U.S.C. 4011 et seq.), as  
 16 amended by the preceding provisions of this Act, is further  
 17 amended by adding at the end the following new section:

18 **“SEC. 1327. DISCLOSURE OF FLOOD RISK INFORMATION**  
 19 **UPON TRANSFER OF PROPERTY.**

20 “(a) REQUIREMENT FOR PARTICIPATION IN PRO-  
 21 GRAM.—After September 30, 2022, no new flood insur-  
 22 ance coverage may be provided under this title for any  
 23 real property located in any area (or subdivision thereof)  
 24 unless an appropriate body has imposed, by statute or reg-  
 25 ulation, a duty on any seller or lessor of improved real

1 estate located in such area to provide to any purchaser  
2 or lessee of such property a property flood hazard disclo-  
3 sure which the Administrator has determined meets the  
4 requirements of subsection (b).

5 “(b) DISCLOSURE REQUIREMENTS.—A property  
6 flood hazard disclosure for a property shall meet the re-  
7 quirements of this subsection only if the disclosure—

8 “(1) is made in writing;

9 “(2) discloses any actual knowledge of the seller  
10 or lessor of—

11 “(A) prior physical damage caused by flood  
12 to any building located on the property;

13 “(B) prior insurance claims for losses cov-  
14 ered under the National Flood Insurance Pro-  
15 gram or private flood insurance with respect to  
16 such property;

17 “(C) any previous notification regarding  
18 the designation of the property as a multiple  
19 loss property; and

20 “(D) any Federal legal obligation to obtain  
21 and maintain flood insurance running with the  
22 property, such as any obligation due to a pre-  
23 vious form of disaster assistance under the  
24 Robert T. Stafford Disaster Relief and Emer-

1           agency Assistance Act received by any owner of  
2           the property; and

3           “(3) is delivered by or on behalf of the seller or  
4           lessor to the purchaser or lessee before such pur-  
5           chaser or lessee becomes obligated under any con-  
6           tract for purchase or lease of the property.”.

7           (b) AVAILABILITY OF FLOOD INSURANCE COV-  
8           ERAGE.—Subsection (c) of section 1305 of the National  
9           Flood Insurance Act of 1968 (42 U.S.C. 4012(c)) is  
10          amended—

11           (1) in paragraph (1), by striking “and” at the  
12          end;

13           (2) in paragraph (2), by striking the period at  
14          the end and inserting “; and”; and

15           (3) by adding at the end the following new  
16          paragraph:

17           “(3) given satisfactory assurance that by Sep-  
18          tember 30, 2022, property flood hazard disclosure  
19          requirements will have been adopted for the area  
20          that meet the requirements of section 1326.”.

21   **SEC. 110. VOLUNTARY COMMUNITY-BASED FLOOD INSUR-**  
22                                   **ANCE PILOT PROGRAM.**

23           (a) ESTABLISHMENT.—The Administrator of the  
24          Federal Emergency Management Agency (in this section  
25          referred to as the “Administrator”) may carry out a com-

1 munity-based flood insurance pilot program to make avail-  
2 able, for purchase by participating communities, a single,  
3 community-wide flood insurance policy under the National  
4 Flood Insurance Program that—

5 (1) covers all residential and non-residential  
6 properties within the community; and

7 (2) satisfies, for all such properties within the  
8 community, the mandatory purchase requirements  
9 under section 102 of the Flood Disaster Protection  
10 Act of 1973 (42 U.S.C. 4012a).

11 (b) PARTICIPATION.—Participation by a community  
12 in the pilot program under this section shall be entirely  
13 voluntary on the part of the community.

14 (c) REQUIREMENTS FOR COMMUNITY-WIDE POLI-  
15 CIES.—The Administrator shall ensure that a community-  
16 wide flood insurance policy made available under the pilot  
17 program under this section incorporates the following re-  
18 quirements:

19 (1) A mapping requirement for properties cov-  
20 ered by the policy.

21 (2) A cap on premiums.

22 (3) A deductible.

23 (4) Certification or accreditation of mitigation  
24 infrastructure when available and appropriate.

25 (5) A community audit.



1           (6) The Community Rating System under sec-  
2           tion 1315(b) of the National Flood Insurance Act of  
3           1968 (42 U.S.C. 4022(b)).

4           (7) A method of preventing redundant claims  
5           payments by the National Flood Insurance Program  
6           in the case of a claim by an individual property  
7           owner who is covered by a community-wide flood in-  
8           surance policy and an individual policy obtained  
9           through the Program.

10          (8) Coverage for damage arising from flooding  
11          that complies with the standards under the National  
12          Flood Insurance Program appropriate to the nature  
13          and type of property covered.

14          (d) TIMING.—The Administrator may establish the  
15          demonstration program under this section not later than  
16          the expiration of the 180-day period beginning on the date  
17          of the enactment of this Act and the program shall termi-  
18          nate on September 30, 2022.

19          (e) DEFINITION OF COMMUNITY.—For purposes of  
20          this section, the term “community” means any unit of  
21          local government, within the meaning given such term  
22          under the laws of the applicable State.

1 **SEC. 111. USE OF REPLACEMENT COST IN DETERMINING**  
2 **PREMIUM RATES.**

3 (a) STUDY OF RISK RATING REDESIGN FLOOD IN-  
4 SURANCE PREMIUM RATING OPTIONS.—

5 (1) STUDY.—The Administrator of the Federal  
6 Emergency Management Agency shall conduct a  
7 study to—

8 (A) evaluate insurance industry best prac-  
9 tices for risk rating and classification, including  
10 practices related to replacement cost value in  
11 premium rate estimations;

12 (B) assess options, methods, and strategies  
13 for including replacement cost value in the Ad-  
14 ministrator's estimates under section  
15 1307(a)(1) of the National Flood Insurance Act  
16 of 1968 (42 U.S.C. 4014(a)(1));

17 (C) provide recommendations for including  
18 replacement cost value in the estimate of the  
19 risk premium rates for flood insurance under  
20 such section 1307(a)(1);

21 (D) identify an appropriate methodology to  
22 incorporate replacement cost value into the Ad-  
23 ministrator's estimates under such section  
24 1307(a)(1);

25 (E) develop a feasible implementation plan  
26 and projected timeline for including replace-

1           ment cost value in the estimates of risk pre-  
2           mium rates for flood insurance made available  
3           under the National Flood Insurance Program.

4           (2) REPORT.—

5                 (A) REQUIREMENT.—Not later than the  
6           expiration of the 12-month period beginning on  
7           the date of the enactment of this Act, the Ad-  
8           ministrator shall submit to the Committee on  
9           Financial Services of the House of Representa-  
10          tives and the Committee on Banking, Housing,  
11          and Urban Affairs of the Senate a report that  
12          contains the results and conclusions of the  
13          study required under paragraph (1).

14                (B) CONTENTS.—The report submitted  
15          under subparagraph (A) shall include—

16                   (i) an analysis of the recommenda-  
17                   tions resulting from the study under para-  
18                   graph (1) and any potential impacts on the  
19                   National Flood Insurance Program, includ-  
20                   ing cost considerations;

21                   (ii) a description of any actions taken  
22                   by the Administrator to implement the  
23                   study recommendations; and

24                   (iii) a description of any study rec-  
25                   ommendations that have been deferred or

1 not acted upon, together with a statement  
2 explaining the reasons for such deferral or  
3 inaction.

4 (b) USE OF REPLACEMENT COST VALUE IN PRE-  
5 MIUM RATES; IMPLEMENTATION.—

6 (1) ESTIMATED RATES.—Paragraph (1) of sec-  
7 tion 1307(a) of the National Flood Insurance Act of  
8 1968 (42 U.S.C. 4014(a)(1)) is amended, in the  
9 matter preceding subparagraph (A), by inserting  
10 after “flood insurance” the following: “, which shall  
11 incorporate replacement cost value, and”.

12 (2) CHARGEABLE RATES.—Subsection (b) of  
13 section 1308 of the National Flood Insurance Act of  
14 1968 (42 U.S.C. 4015(b)) is amended, in the matter  
15 preceding paragraph (1), by inserting after “Such  
16 rates” the following: “shall incorporate replacement  
17 cost value and”.

18 (3) EFFECTIVE DATE.—The amendments under  
19 paragraphs (1) and (2) of this subsection shall be  
20 made upon the expiration of the 12-month period  
21 beginning on the date of the enactment of this Act.

22 (4) APPLICABILITY AND PHASE-IN.—The Ad-  
23 ministrator of the Federal Emergency Management  
24 Agency shall apply the amendments under para-  
25 graphs (1) and (2) to flood insurance coverage made

1 available under the National Flood Insurance Act of  
2 1968 for properties located in various geographic re-  
3 gions in the United States such that—

4 (A) over the period beginning upon the ex-  
5 piration of the period referred to in paragraph  
6 (3) of this subsection and ending on December  
7 31, 2020, the requirement under such amend-  
8 ments shall be gradually phased in geographi-  
9 cally throughout the United States as sufficient  
10 information for such implementation becomes  
11 available; and

12 (B) after the expiration of such period re-  
13 ferred to in subparagraph (A), such amend-  
14 ments shall apply to all flood insurance cov-  
15 erage made available under the National Flood  
16 Insurance Act of 1968.

17 **SEC. 112. CAP ON PREMIUMS.**

18 Paragraph (1) of section 1308(e) of the National  
19 Flood Insurance Act of 1968 (42 U.S.C. 4015(e)(1)) is  
20 amended—

- 21 (1) by striking “except —” and inserting “ex-  
22 cept as provided in paragraph (4); and”;  
23 (2) by striking subparagraphs (A) and (B);  
24 (3) in subparagraph (C)—

1 (A) in clause (ii), by redesignating sub-  
2 clauses (I) and (II) as items (aa) and (bb), re-  
3 spectively;

4 (B) by redesignating clauses (i) through  
5 (iii) as subclauses (I) through (III), respec-  
6 tively; and

7 (C) by striking “(C) in the case of a prop-  
8 erty that—” and inserting the following:

9 “(B) The limitations under clauses (i) and (ii)  
10 of subparagraph (A) shall not apply in the case of—

11 “(i) a property identified under section  
12 1307(g); or

13 “(ii) a property that—”;

14 (4) by striking “under this title for any prop-  
15 erty” and inserting the following: “under this title—

16 “(i) for any property”;

17 (5) by inserting “(A) subject to subparagraph  
18 (B),” after the paragraph designation; and

19 (6) by inserting before subparagraph (B), as so  
20 redesignated by the amendment made by paragraph  
21 (3)(C) of this section, the following new clause:

22 “(ii) for any residential property having 4  
23 or fewer residences and for which there is ele-  
24 vation data meeting standards of the Adminis-  
25 trator, may not exceed \$10,000 in any single

year, except that such amount (as it may have been previously adjusted) shall be adjusted for inflation by the Administrator upon the expiration of the 5-year period beginning upon the date of the enactment of the 21st Century Flood Reform Act and upon the expiration of each successive 5-year period thereafter, in accordance with an inflationary index selected by the Administrator.”.

**SEC. 113. PREMIUM RATES FOR CERTAIN MITIGATED PROPERTIES.**

(a) MITIGATION STRATEGIES.—Paragraph (1) of section 1361(d) of the National Flood Insurance Act of 1968 (42 U.S.C. 4102(d)(1)) is amended—

(1) in subparagraph (A), by striking “and” at the end;

(2) in subparagraph (B), by striking “and” at the end; and

(3) by inserting after subparagraph (B) the following new subparagraphs:

“(C) with respect to buildings in dense urban environments, methods that can be deployed on a block or neighborhood scale; and

“(D) elevation of mechanical systems; and”.

1 (b) MITIGATION CREDIT.—Subsection (k) of section  
 2 1308 of the National Flood Insurance Act of 1968 (42  
 3 U.S.C. 4015(k)) is amended—

4 (1) by striking “shall take into account” and  
 5 inserting the following: “shall—

6 “(1) take into account”;

7 (2) in paragraph (1), as so designated by the  
 8 amendment made by paragraph (1) of this sub-  
 9 section, by striking the period at the end and insert-  
 10 ing “; and”; and

11 (3) by adding at the end the following new  
 12 paragraph:

13 “(2) offer a reduction of the risk premium rate  
 14 charged to a policyholder, as determined by the Ad-  
 15 ministrator, if the policyholder implements any miti-  
 16 gation method described in paragraph (1).”.

17 **SEC. 114. STUDY OF FLOOD INSURANCE COVERAGE FOR**  
 18 **UNITS IN COOPERATIVE HOUSING.**

19 The Administrator of the Federal Emergency Man-  
 20 agement Agency shall conduct a study to analyze and de-  
 21 termine the feasibility of providing flood insurance cov-  
 22 erage under the National Flood Insurance Program under  
 23 the National Flood Insurance Act of 1968 (42 U.S.C.  
 24 4001 et seq.) for individual dwelling units in cooperative  
 25 housing projects. Not later than the expiration of the 24-



1 month period beginning on the date of the enactment of  
 2 this Act, the Administrator shall submit a report to the  
 3 Committee on Financial Services of the House of Rep-  
 4 resentatives and the Committee on Banking, Housing, and  
 5 Urban Affairs of the Senate regarding the findings and  
 6 conclusions of the study conducted pursuant to this sec-  
 7 tion, which shall include a plan setting forth specific ac-  
 8 tions to implement the development of such flood insur-  
 9 ance coverage.

10 **SEC. 115. PILOT PROGRAM FOR PROPERTIES WITH PRE-**  
 11 **EXISTING CONDITIONS.**

12 Section 1311 of the National Flood Insurance Act of  
 13 1968 (42 U.S.C. 4018) is amended by adding at the end  
 14 the following new subsection:

15 “(c) PILOT PROGRAM FOR INVESTIGATION OF PRE-  
 16 EXISTING STRUCTURAL CONDITIONS.—

17 “(1) VOLUNTARY PROGRAM.—The Adminis-  
 18 trator shall carry out a pilot program under this  
 19 subsection to provide for companies participating in  
 20 the Write Your Own program (as such term is de-  
 21 fined in section 1370(a) (42 U.S.C. 4121(a))) to in-  
 22 vestigate preexisting structural conditions of insured  
 23 properties and potentially insured properties that  
 24 could result in the denial of a claim under a policy  
 25 for flood insurance coverage under this title in the

1 event of a flood loss to such property. Participation  
2 in the pilot program shall be voluntary on the part  
3 of Write Your Own companies.

4 “(2) INVESTIGATION OF PROPERTIES.—Under  
5 the pilot program under this subsection, a Write  
6 Your Own company participating in the program  
7 shall—

8 “(A) provide in policies for flood insurance  
9 coverage under this title covered by the pro-  
10 gram that, upon the request of the policyholder,  
11 the company shall provide for—

12 “(i) an investigation of the property  
13 covered by such policy, using common  
14 methods, to determine whether preexisting  
15 structural conditions are present that could  
16 result in the denial of a claim under such  
17 policy for flood losses; and

18 “(ii) if such investigation is not deter-  
19 minative, an on-site inspection of the prop-  
20 erty to determine whether such preexisting  
21 structural conditions are present;

22 “(B) upon completion of an investigation  
23 or inspection pursuant to subparagraph (A)  
24 that determines that such a preexisting struc-  
25 tural condition is present or absent, submit a

1 report to the policyholder and Administrator de-  
2 scribing the condition; and

3 “(C) impose a surcharge on each policy de-  
4 scribed in subparagraph (A) in such amount  
5 that the Administrator determines is appro-  
6 priate to cover the costs of investigations and  
7 inspections performed pursuant to such policies  
8 and reimburse Write Your Own companies par-  
9 ticipating in the program under this subsection  
10 for such costs.

11 “(3) INTERIM REPORT.—Not later than Decem-  
12 ber 31, 2021, the Administrator shall submit a re-  
13 port to the Committee on Financial Services of the  
14 House of Representatives and the Committee on  
15 Banking, Housing, and Urban Affairs of the Senate  
16 describing the operation of the pilot program to that  
17 date.

18 “(4) SUNSET.—The Administrator may not  
19 provide any policy for flood insurance described in  
20 paragraph (2)(A) after December 31, 2022.

21 “(5) FINAL REPORT.—Not later than March  
22 31, 2023, the Administrator shall submit a final re-  
23 port regarding the pilot program under this section  
24 to the Committee on Financial Services of the House  
25 of Representatives and the Committee on Banking,

1       Housing, and Urban Affairs of the Senate. The re-  
2       port shall include any findings and recommendations  
3       of the Administrator regarding the pilot program.”.

4   **SEC. 116. FEDERAL FLOOD INSURANCE ADVISORY COM-**  
5       **MITTEE.**

6       (a) ESTABLISHMENT.—There is established an advi-  
7       sory committee to be known as the Federal Flood Insur-  
8       ance Advisory Committee (in this section referred to as  
9       the “Committee”).

10      (b) MEMBERSHIP.—

11           (1) MEMBERS.—The Committee shall consist  
12      of—

13           (A) the Administrator of the Federal  
14           Emergency Management Agency (in this section  
15           referred to as the “Administrator”), or the des-  
16           ignee thereof;

17           (B) the Secretary of the Treasury, or the  
18           designee thereof; and

19           (C) additional members appointed by the  
20           Administrator or the designee of the Adminis-  
21           trator, who shall be—

22                   (i) two representatives of the property  
23                   and casualty insurance sector;

24                   (ii) one individual who served in the  
25                   past, or is currently serving, as an insur-

1           ance regulator of a State, the District of  
2           Columbia, the Commonwealth of Puerto  
3           Rico, Guam, the Commonwealth of the  
4           Northern Mariana Islands, the Virgin Is-  
5           lands, American Samoa, or any federally-  
6           recognized Indian tribe;

7                   (iii) one representative of the financial  
8                   or insurance sectors who is involved in risk  
9                   transfers, including reinsurance, resilience  
10                  bonds, and other insurance-linked securi-  
11                  ties;

12                  (iv) one actuary with demonstrated  
13                  high-level knowledge of catastrophic risk  
14                  insurance;

15                  (v) two insurance professionals with  
16                  demonstrated experience with the sale of  
17                  flood insurance under the National Flood  
18                  Insurance Program;

19                  (vi) two representatives of cata-  
20                  strophic risk insurance programs;

21                  (vii) one insurance claims specialist;

22                  (viii) one representative of a recog-  
23                  nized consumer advocacy organization;

1                   (ix) one individual having dem-  
2                   onstrated expertise in the challenges in in-  
3                   suring low-income communities;

4                   (x) one representative from an aca-  
5                   demic institution who has demonstrated  
6                   expertise in insurance; and

7                   (xi) such other recognized experts in  
8                   the field of insurance as the Administrator  
9                   considers necessary.

10               (2) QUALIFICATIONS.—In appointing members  
11               under paragraph (1)(C), the Administrator shall, to  
12               the maximum extent practicable, ensure the mem-  
13               bership of the Committee has a balance of members  
14               reflecting geographic diversity, including representa-  
15               tion from areas inland or with coastline identified by  
16               the Administrator as at high risk for flooding or as  
17               areas having special flood hazards.

18               (c) DUTIES.—The Committee shall review, and make  
19               recommendations to the Administrator, upon request, on  
20               matters related to the insurance aspects of the National  
21               Flood Insurance Program, including ratemaking, tech-  
22               nology to administer insurance, risk assessment, actuarial  
23               practices, claims practices, sales and insurance delivery,  
24               compensation and allowances, generally and based on the  
25               complexities of the program, and best insurance practices.

1 (d) CHAIRPERSON.—The members of the Committee  
2 shall elect one member to serve as the chairperson of the  
3 Committee (in this section referred to as the “Chair-  
4 person”).

5 (e) COMPENSATION.—Members of the Committee  
6 shall receive no additional compensation by reason of their  
7 service on the Committee.

8 (f) MEETINGS AND ACTIONS.—

9 (1) IN GENERAL.—The Committee shall meet  
10 not less frequently than twice each year at the re-  
11 quest of the Chairperson or a majority of its mem-  
12 bers, and may take action by a vote of the majority  
13 of the members in accordance with the Committee’s  
14 charter.

15 (2) INITIAL MEETING.—The Administrator, or  
16 a person designated by the Administrator, shall re-  
17 quest and coordinate the initial meeting of the Com-  
18 mittee.

19 (g) STAFF OF FEMA.—Upon the request of the  
20 Chairperson, the Administrator may detail, on a nonreim-  
21 bursable basis, personnel of the Federal Emergency Man-  
22 agement Agency to assist the Committee in carrying out  
23 its duties.

24 (h) POWERS.—In carrying out this section, the Com-  
25 mittee may hold hearings, receive evidence and assistance,

1 provide information, and conduct research, as it considers  
2 appropriate.

3 (i) REPORTS TO CONGRESS.—The Administrator, on  
4 an annual basis, shall report to the Committee on Finan-  
5 cial Services of the House of Representatives, the Com-  
6 mittee on Banking, Housing, and Urban Affairs of the  
7 Senate, and the Office of Management and Budget on—

8 (1) the recommendations made by the Com-  
9 mittee;

10 (2) actions taken by the Federal Emergency  
11 Management Agency to address such recommenda-  
12 tions to improve the insurance aspects of the na-  
13 tional flood insurance program; and

14 (3) any recommendations made by the Com-  
15 mittee that have been deferred or not acted upon,  
16 together with an explanatory statement.

17 **SEC. 117. INTERAGENCY GUIDANCE ON COMPLIANCE.**

18 The Federal entities for lending regulation (as such  
19 term is defined in section 3(a) of the Flood Disaster Pro-  
20 tection Act of 1973 (42 U.S.C. 4003(a))), in consultation  
21 with the Administrator of the Federal Emergency Man-  
22 agement Agency, shall update and reissue the document  
23 entitled “Interagency Questions and Answers Regarding  
24 Flood Insurance” not later than the expiration of the 12-



1 month period beginning on the date of the enactment of  
2 this Act and not less frequently than biennially thereafter.

3 **SEC. 118. GAO STUDY OF CLAIMS ADJUSTMENT PRACTICES.**

4 The Comptroller General of the United States shall  
5 conduct a study of the policies and practices for adjust-  
6 ment of claims for losses under flood insurance coverage  
7 made available under the National Flood Insurance Act,  
8 which shall include—

9 (1) a comparison of such policies and practices  
10 with the policies and practices for adjustment of  
11 claims for losses under other insurance coverage;

12 (2) an assessment of the quality of the adjust-  
13 ments conducted and the effects of such policies and  
14 practices on such quality;

15 (3) identification of any incentives under such  
16 policies and practices that affect the speed with  
17 which such adjustments are conducted; and

18 (4) identification of the affects of such policies  
19 and practices on insureds submitting such claims for  
20 losses.

21 **SEC. 119. GAO STUDY OF FLOOD INSURANCE COVERAGE**

22 **TREATMENT OF EARTH MOVEMENT.**

23 The Comptroller General of the United States shall  
24 conduct a study of the treatment, under flood insurance  
25 coverage made available under the National Flood Insur-

1 ance Act, of earth movement and subsidence, including  
2 earth movement and subsidence caused by flooding, which  
3 shall include—

4 (1) identification and analysis of the effects of  
5 such treatment on the National Flood Insurance  
6 Program and insureds under the program;

7 (2) an assessment of the availability and afford-  
8 ability of coverage in the private insurance market  
9 for earth movement and subsidence caused by flood-  
10 ing;

11 (3) an assessment of the effects on the National  
12 Flood Insurance Program of covering earth move-  
13 ment and subsidence caused by flooding; and

14 (4) a projection of the increased premiums that  
15 would be required to make coverage for earth move-  
16 ment losses actuarially sound and not fiscally detri-  
17 mental to the continuation of the National Flood In-  
18 surance Program.

19 **SEC. 120. DEFINITIONS.**

20 (a) NATIONAL FLOOD INSURANCE ACT OF 1968.—  
21 Subsection (a) of section 1370 of the National Flood In-  
22 surance Act of 1968 (42 U.S.C. 4121(a)) is amended—

23 (1) in paragraph (14), by striking “and” at the  
24 end;

1           (2) in paragraph (15), by striking the period at  
2           the end and inserting a semicolon; and

3           (3) by adding at the end the following new  
4           paragraphs:

5           “(16) the term ‘Write Your Own Program’  
6           means the program under which the Federal Emer-  
7           gency Management Agency enters into a standard  
8           arrangement with private property insurance compa-  
9           nies to sell contracts for flood insurance coverage  
10          under this title under their own business lines of in-  
11          surance, and to adjust and pay claims arising under  
12          such contracts; and

13          “(17) the term ‘Write Your Own company’  
14          means a private property insurance company that  
15          participates in the Write Your Own Program.”.

16          (b) BIGGERT-WATERS FLOOD INSURANCE REFORM  
17          ACT OF 2012.—Subsection (a) of section 100202 of the  
18          Biggert-Waters Flood Insurance Reform Act of 2012 (42  
19          U.S.C. 4004(a)) is amended by striking paragraph (5) and  
20          inserting the following new paragraph:

21                 “(5) WRITE YOUR OWN.—The terms ‘Write  
22          Your Own Program’ and ‘Write Your Own company’  
23          have the meanings given such terms in section  
24          1370(a) of the National Flood Insurance Act of  
25          1968 (42 U.S.C. 4121(a)).”.

1 **TITLE II—INCREASING CON-**  
2 **SUMER CHOICE THROUGH**  
3 **PRIVATE MARKET DEVELOP-**  
4 **MENT**

5 **SEC. 201. PRIVATE FLOOD INSURANCE.**

6 (a) MANDATORY PURCHASE REQUIREMENT.—

7 (1) AMOUNT AND TERM OF COVERAGE.—Sec-  
8 tion 102 of the Flood Disaster Protection Act of  
9 1973 (42 U.S.C. 4012a) is amended by striking  
10 “Sec. 102. (a)” and all that follows through the end  
11 of subsection (a) and inserting the following:

12 “SEC. 102. (a) AMOUNT AND TERM OF COVERAGE.—  
13 After the expiration of sixty days following the date of the  
14 enactment of this Act, no Federal officer or agency shall  
15 approve any financial assistance for acquisition or con-  
16 struction purposes for use in any area that has been iden-  
17 tified by the Administrator as an area having special flood  
18 hazards and in which the sale of flood insurance has been  
19 made available under the National Flood Insurance Act  
20 of 1968, unless the building or mobile home and any per-  
21 sonal property to which such financial assistance relates  
22 is covered by flood insurance: *Provided*, That the amount  
23 of flood insurance (1) in the case of Federal flood insur-  
24 ance, is at least equal to the development or project cost  
25 of the building, mobile home, or personal property (less

1 estimated land cost), the outstanding principal balance of  
 2 the loan, or the maximum limit of Federal flood insurance  
 3 coverage made available with respect to the particular type  
 4 of property, whichever is less; or (2) in the case of private  
 5 flood insurance, is at least equal to the development or  
 6 project cost of the building, mobile home, or personal  
 7 property (less estimated land cost), the outstanding prin-  
 8 cipal balance of the loan, or the maximum limit of Federal  
 9 flood insurance coverage made available with respect to  
 10 the particular type of property, whichever is less: *Provided*  
 11 *further*, That if the financial assistance provided is in the  
 12 form of a loan or an insurance or guaranty of a loan, the  
 13 amount of flood insurance required need not exceed the  
 14 outstanding principal balance of the loan and need not be  
 15 required beyond the term of the loan. The requirement  
 16 of maintaining flood insurance shall apply during the life  
 17 of the property, regardless of transfer of ownership of such  
 18 property.”.

19 (2) REQUIREMENT FOR MORTGAGE LOANS.—

20 Subsection (b) of section 102 of the Flood Disaster  
 21 Protection Act of 1973 (42 U.S.C. 4012a(b)) is  
 22 amended—

23 (A) by striking paragraph (7);

24 (B) by redesignating paragraph (6) as  
 25 paragraph (7);

1 (C) by striking the subsection designation  
2 and all that follows through the end of para-  
3 graph (5) and inserting the following:

4 “(b) REQUIREMENT FOR MORTGAGE LOANS.—

5 “(1) REGULATED LENDING INSTITUTIONS.—

6 Each Federal entity for lending regulation (after  
7 consultation and coordination with the Financial In-  
8 stitutions Examination Council established under the  
9 Federal Financial Institutions Examination Council  
10 Act of 1974) shall by regulation direct regulated  
11 lending institutions not to make, increase, extend, or  
12 renew any loan secured by improved real estate or  
13 a mobile home located or to be located in an area  
14 that has been identified by the Administrator as an  
15 area having special flood hazards and in which flood  
16 insurance has been made available under the Na-  
17 tional Flood Insurance Act of 1968, unless the  
18 building or mobile home and any personal property  
19 securing such loan is covered for the term of the  
20 loan by flood insurance: *Provided*, That the amount  
21 of flood insurance (A) in the case of Federal flood  
22 insurance, is at least equal to the outstanding prin-  
23 cipal balance of the loan or the maximum limit of  
24 Federal flood insurance coverage made available  
25 with respect to the particular type of property,

1       whichever is less; or (B) in the case of private flood  
2       insurance, is at least equal to the outstanding prin-  
3       cipal balance of the loan or the maximum limit of  
4       Federal flood insurance coverage made available  
5       with respect to the particular type of property,  
6       whichever is less.

7               “(2) FEDERAL AGENCY LENDERS AND MORT-  
8       GAGE INSURANCE AND GUARANTEE AGENCIES.—

9               “(A) FEDERAL AGENCY LENDERS.—A

10       Federal agency lender may not make, increase,  
11       extend, or renew any loan secured by improved  
12       real estate or a mobile home located or to be lo-  
13       cated in an area that has been identified by the  
14       Administrator as an area having special flood  
15       hazards and in which flood insurance has been  
16       made available under the National Flood Insur-  
17       ance Act of 1968, unless the building or mobile  
18       home and any personal property securing such  
19       loan is covered for the term of the loan by flood  
20       insurance in accordance with paragraph (1).  
21       Each Federal agency lender may issue any reg-  
22       ulations necessary to carry out this paragraph.  
23       Such regulations shall be consistent with and  
24       substantially identical to the regulations issued  
25       under paragraph (1).

1           “(B) OTHER FEDERAL MORTGAGE ENTI-  
2           TIES.—

3           “(i) COVERAGE REQUIREMENTS.—  
4           Each covered Federal mortgage entity  
5           shall implement procedures reasonably de-  
6           signed to ensure that, for any loan that—

7                   “(I) is secured by improved real  
8                   estate or a mobile home located in an  
9                   area that has been identified, at the  
10                  time of the origination of the loan or  
11                  at any time during the term of the  
12                  loan, by the Administrator as an area  
13                  having special flood hazards and in  
14                  which flood insurance is available  
15                  under the National Flood Insurance  
16                  Act of 1968, and

17                  “(II) is made, insured, held, or  
18                  guaranteed by such entity, or backs or  
19                  on which is based any trust certificate  
20                  or other security for which such entity  
21                  guarantees the timely payment of  
22                  principal and interest,  
23           the building or mobile home and any per-  
24           sonal property securing the loan is covered



1           for the term of the loan by flood insurance  
2           in the amount provided in paragraph (1).

3           “(ii) DEFINITION.—For purposes of  
4           this subparagraph, the term ‘covered Fed-  
5           eral mortgage entity’ means—

6                     “(I) the Secretary of Housing  
7                     and Urban Development, with respect  
8                     to mortgages insured under the Na-  
9                     tional Housing Act;

10                    “(II) the Secretary of Agri-  
11                    culture, with respect to loans made,  
12                    insured, or guaranteed under title V  
13                    of the Housing Act of 1949; and

14                    “(III) the Government National  
15                    Mortgage Association.

16           “(C) REQUIREMENT TO ACCEPT FLOOD IN-  
17           SURANCE.—Each Federal agency lender and  
18           each covered Federal mortgage entity shall ac-  
19           cept flood insurance as satisfaction of the flood  
20           insurance coverage requirement under subpara-  
21           graph (A) or (B), respectively, if the flood in-  
22           surance coverage meets the requirements for  
23           coverage under such subparagraph and the re-  
24           quirements relating to financial strength issued  
25           pursuant to paragraph (4).

1           “(3) GOVERNMENT-SPONSORED ENTERPRISES  
2       FOR HOUSING.—The Federal National Mortgage As-  
3       sociation and the Federal Home Loan Mortgage  
4       Corporation shall implement procedures reasonably  
5       designed to ensure that, for any loan that is—

6           “(A) secured by improved real estate or a  
7       mobile home located in an area that has been  
8       identified, at the time of the origination of the  
9       loan or at any time during the term of the loan,  
10      by the Administrator as an area having special  
11      flood hazards and in which flood insurance is  
12      available under the National Flood Insurance  
13      Act of 1968, and

14          “(B) purchased or guaranteed by such en-  
15      tity,  
16      the building or mobile home and any personal prop-  
17      erty securing the loan is covered for the term of the  
18      loan by flood insurance in the amount provided in  
19      paragraph (1). The Federal National Mortgage As-  
20      sociation and the Federal Home Loan Mortgage  
21      Corporation shall accept flood insurance as satisfac-  
22      tion of the flood insurance coverage requirement  
23      under paragraph (1) if the flood insurance coverage  
24      provided meets the requirements for coverage under

1 that paragraph and the requirements relating to fi-  
2 nancial strength issued pursuant to paragraph (4).

3 “(4) REQUIREMENTS REGARDING FINANCIAL  
4 STRENGTH.—The Director of the Federal Housing  
5 Finance Agency, in consultation with the Federal  
6 National Mortgage Association, the Federal Home  
7 Loan Mortgage Corporation, the Secretary of Hous-  
8 ing and Urban Development, the Government Na-  
9 tional Mortgage Association, and the Secretary of  
10 Agriculture shall develop and implement require-  
11 ments relating to the financial strength of private  
12 insurance companies from which such entities and  
13 agencies will accept private flood insurance, provided  
14 that such requirements shall not affect or conflict  
15 with any State law, regulation, or procedure con-  
16 cerning the regulation of the business of insurance.

17 “(5) APPLICABILITY.—

18 “(A) EXISTING COVERAGE.—Except as  
19 provided in subparagraph (B), paragraph (1)  
20 shall apply on the date of enactment of the Rie-  
21 gle Community Development and Regulatory  
22 Improvement Act of 1994.

23 “(B) NEW COVERAGE.—Paragraphs (2)  
24 and (3) shall apply only with respect to any  
25 loan made, increased, extended, or renewed

1 after the expiration of the 1-year period begin-  
2 ning on the date of enactment of the Riegle  
3 Community Development and Regulatory Im-  
4 provement Act of 1994. Paragraph (1) shall  
5 apply with respect to any loan made, increased,  
6 extended, or renewed by any lender supervised  
7 by the Farm Credit Administration only after  
8 the expiration of the period under this subpara-  
9 graph.

10 “(C) CONTINUED EFFECT OF REGULA-  
11 TIONS.—Notwithstanding any other provision of  
12 this subsection, the regulations to carry out  
13 paragraph (1), as in effect immediately before  
14 the date of enactment of the Riegle Community  
15 Development and Regulatory Improvement Act  
16 of 1994, shall continue to apply until the regu-  
17 lations issued to carry out paragraph (1) as  
18 amended by section 522(a) of such Act take ef-  
19 fect.

20 “(6) RULE OF CONSTRUCTION.—Except as oth-  
21 erwise specified, any reference to flood insurance in  
22 this section shall be considered to include Federal  
23 flood insurance and private flood insurance. Nothing  
24 in this subsection shall be construed to supersede or  
25 limit the authority of a Federal entity for lending

1 regulation, the Federal Housing Finance Agency, a  
2 Federal agency lender, a covered Federal mortgage  
3 entity (as such term is defined in paragraph  
4 (2)(B)(ii)), the Federal National Mortgage Associa-  
5 tion, or the Federal Home Loan Mortgage Corpora-  
6 tion to establish requirements relating to the finan-  
7 cial strength of private insurance companies from  
8 which the entity or agency will accept private flood  
9 insurance, provided that such requirements shall not  
10 affect or conflict with any State law, regulation, or  
11 procedure concerning the regulation of the business  
12 of insurance.”; and

13 (D) by adding at the end the following new  
14 paragraphs:

15 “(8) DEFINITIONS.—In this section:

16 “(A) FLOOD INSURANCE.—The term ‘flood  
17 insurance’ means—

18 “(i) Federal flood insurance; and

19 “(ii) private flood insurance.

20 “(B) FEDERAL FLOOD INSURANCE.—The  
21 term ‘Federal flood insurance’ means an insur-  
22 ance policy made available under the National  
23 Flood Insurance Act of 1968 (42 U.S.C. 4001  
24 et seq.).

1                   “(C) MUTUAL AID SOCIETY.—The term  
2                   ‘mutual aid society’ means an organization—

3                   “(i) the members of which—

4                   “(I) share a common set of eth-  
5                   ical or religious beliefs; and

6                   “(II) in accordance with the be-  
7                   liefs described in subclause (I), agree  
8                   to cover expenses arising from damage  
9                   to property of the members of the or-  
10                  ganization, including damage caused  
11                  by flooding; and

12                  “(ii) that has a demonstrated history  
13                  of fulfilling the terms of agreements to  
14                  cover expenses arising from damage to  
15                  property of the members of the organiza-  
16                  tion caused by flooding.

17                  “(D) PRIVATE FLOOD INSURANCE.—The  
18                  term ‘private flood insurance’ means—

19                  “(i) an insurance policy that—

20                  “(I) is issued by an insurance  
21                  company that is—

22                  “(aa) licensed, admitted, or  
23                  otherwise approved to engage in  
24                  the business of insurance in the  
25                  State in which the insured build-

1 ing is located, by the insurance  
2 regulator of that State; or

3 “(bb) eligible as a non-  
4 admitted insurer to provide in-  
5 surance in the home State of the  
6 insured, in accordance with sec-  
7 tions 521 through 527 of the  
8 Dodd-Frank Wall Street Reform  
9 and Consumer Protection Act  
10 (15 U.S.C. 8201 through 8206);

11 “(II) is issued by an insurance  
12 company that is not otherwise dis-  
13 approved as a surplus lines insurer by  
14 the insurance regulator of the State in  
15 which the property to be insured is lo-  
16 cated; and

17 “(III) provides flood insurance  
18 coverage that complies with the laws  
19 and regulations of that State; or

20 “(ii) an agreement with a mutual aid  
21 society for such society to cover expenses  
22 arising from damage to property of the  
23 members of such society caused by flood-  
24 ing, unless the State in which the property  
25 to be insured is located has—

1                   “(I) determined that the specific  
2                   mutual aid society may not provide  
3                   such coverage or provide such cov-  
4                   erage in such manner; or

5                   “(II) specifically provided  
6                   through law or regulation that mutual  
7                   aid societies may not provide such  
8                   coverage or provide such coverage in  
9                   such manner.

10                  “(E) STATE.—The term ‘State’ means any  
11                  State of the United States, the District of Co-  
12                  lumbia, the Commonwealth of Puerto Rico,  
13                  Guam, the Northern Mariana Islands, the Vir-  
14                  gin Islands, and American Samoa.”.

15                  (b) EFFECT OF PRIVATE FLOOD INSURANCE COV-  
16                  ERAGE ON CONTINUOUS COVERAGE REQUIREMENTS.—  
17                  Section 1308 of the National Flood Insurance Act of 1968  
18                  (42 U.S.C. 4015), as amended by the preceding provisions  
19                  of this Act, is further amended by adding at the end the  
20                  following:

21                  “(o) EFFECT OF PRIVATE FLOOD INSURANCE COV-  
22                  ERAGE ON CONTINUOUS COVERAGE REQUIREMENTS.—  
23                  For purposes of applying any statutory, regulatory, or ad-  
24                  ministrative continuous coverage requirement, including  
25                  under section 1307(g)(1), the Administrator shall consider



1 any period during which a property was continuously cov-  
 2 ered by private flood insurance (as defined in section  
 3 102(b)(8) of the Flood Disaster Protection Act of 1973  
 4 (42 U.S.C. 4012a(b)(8))) to be a period of continuous cov-  
 5 erage.”.

6 **SEC. 202. OPT-OUT OF MANDATORY COVERAGE REQUIRE-**  
 7 **MENT FOR COMMERCIAL PROPERTIES.**

8 (a) AMENDMENTS TO FLOOD DISASTER PROTECTION  
 9 ACT OF 1973.—Effective on January 1, 2019, the Flood  
 10 Disaster Protection Act of 1973, as amended by the pre-  
 11 ceding provisions of this Act, is further amended—

12 (1) in section 3(a) (42 U.S.C. 4003(a))—

13 (A) in paragraph (10), by striking “and”  
 14 at the end;

15 (B) in paragraph (11), by striking the pe-  
 16 riod at the end and inserting “; and”; and

17 (C) by adding at the end the following new  
 18 paragraph:

19 “(12) ‘residential improved real estate’ means  
 20 improved real estate that—

21 “(A) is primarily used for residential pur-  
 22 poses, as defined by the Federal entities for  
 23 lending regulation; and

24 “(B) secures financing or financial assist-  
 25 ance provided through a federally related single

1 family loan program, as defined by the Federal  
2 entities for lending regulation.”; and

3 (2) in section 102 (42 U.S.C. 4012a)—

4 (A) in subsection (b)—

5 (i) in paragraph (1)—

6 (I) by inserting “residential” be-  
7 fore “improved real estate”; and

8 (II) by inserting “residential” be-  
9 fore “building or mobile home”;

10 (ii) in paragraph (2)—

11 (I) by inserting “residential” be-  
12 fore “improved real estate” each place  
13 such term appears; and

14 (II) by inserting “residential” be-  
15 fore “building or mobile home” each  
16 place such term appears; and

17 (iii) in paragraph (3)—

18 (I) in subparagraph (A), by in-  
19 serting “residential” before “improved  
20 real estate”; and

21 (II) in the matter after and  
22 below subparagraph (B), by inserting  
23 “residential” before “building or mo-  
24 bile home”;

1 (B) in subsection (c)(3), by striking “, in  
2 the case of any residential property, for any  
3 structure that is a part of such property” and  
4 inserting “for any structure that is a part of a  
5 residential property”;

6 (C) in subsection (e)—

7 (i) in paragraph (1)—

8 (I) by inserting “residential” be-  
9 fore “improved real estate”; and

10 (II) by inserting “residential” be-  
11 fore “building or mobile home” each  
12 place such term appears; and

13 (ii) in paragraph (5)—

14 (I) in subparagraph (A)—

15 (aa) by inserting “residen-  
16 tial” before “improved real es-  
17 tate” each place such term ap-  
18 pears; and

19 (bb) by inserting “residen-  
20 tial” before “building or mobile  
21 home” each place such term ap-  
22 pears;

23 (II) in subparagraph (B), by in-  
24 serting “residential” before “building

1 or mobile home” each place such term  
 2 appears; and

3 (III) in subparagraph (C), by in-  
 4 serting “residential” before “building  
 5 or mobile home”; and

6 (D) in subsection (h)—

7 (i) by inserting “residential” before  
 8 “improved real estate” each place such  
 9 term appears; and

10 (ii) in the matter preceding paragraph  
 11 (1), by inserting “residential” before  
 12 “building or mobile home”.

13 (b) AMENDMENTS TO NATIONAL FLOOD INSURANCE  
 14 ACT OF 1968.—Effective on January 1, 2019, the Na-  
 15 tional Flood Insurance Act of 1968, as amended by the  
 16 preceding provisions of this Act, is further amended—

17 (1) in section 1364(a) (42 U.S.C. 4104a(a))—

18 (A) in paragraph (1), by inserting “resi-  
 19 dential” before “improved real estate”;

20 (B) in paragraph (2), by inserting “resi-  
 21 dential” before “improved real estate”; and

22 (C) in paragraph (3)(A), by inserting “res-  
 23 idential” before “building”;

24 (2) in section 1365 (42 U.S.C. 4104b)—

25 (A) in subsection (a)—

1 (i) by inserting “residential” before  
2 “improved real estate”; and

3 (ii) by inserting “residential” before  
4 “building”;

5 (B) in subsection (b)(2)—

6 (i) by inserting “residential” before  
7 “building” each place such term appears;  
8 and

9 (ii) by inserting “residential” before  
10 “improved real estate” each place such  
11 term appears;

12 (C) in subsection (d), by inserting “resi-  
13 dential” before “improved real estate” each  
14 place such term appears; and

15 (D) in subsection (e)—

16 (i) by inserting “residential” before  
17 “improved real estate”; and

18 (ii) by inserting “residential” before  
19 “building” each place such term appears;  
20 and

21 (3) in section 1370 (42 U.S.C. 4121)—

22 (A) in paragraph (8), by inserting “resi-  
23 dential” before “improved real estate”;

1 (B) by redesignating paragraphs (14)  
2 through (17) as paragraphs (15) through (18),  
3 respectively; and

4 (C) by inserting after paragraph (13) the  
5 following new paragraph:

6 “(14) the term ‘residential improved real estate’  
7 means improved real estate that—

8 “(A) is primarily used for residential pur-  
9 poses, as defined by the Federal entities for  
10 lending regulation; and

11 “(B) secures financing or financial assist-  
12 ance provided through a federally related single  
13 family loan program, as defined by the Federal  
14 entities for lending regulation;”.

15 (c) RULE OF CONSTRUCTION.—This section and the  
16 amendments made by this section may not be construed  
17 to prohibit the Administrator of the Federal Emergency  
18 Management Agency from offering flood insurance cov-  
19 erage under the National Flood Insurance Program for  
20 eligible non-residential properties, other residential multi-  
21 family properties, or structures financed with commercial  
22 loans, or to prohibit the purchase of such coverage for  
23 such eligible properties.

1 **SEC. 203. ELIMINATION OF NON-COMPETE REQUIREMENT.**

2 Section 1345 of the National Flood Insurance Act of  
3 1968 (42 U.S.C. 4081) is amended by adding at the end  
4 the following new subsection:

5 “(f) **AUTHORITY TO PROVIDE OTHER FLOOD COV-**  
6 **ERAGE.**—

7 “(1) **IN GENERAL.**—The Administrator may  
8 not, as a condition of participating in the Write  
9 Your Own Program (as such term is defined in sec-  
10 tion 1370(a)) or in otherwise participating in the  
11 utilization by the Administrator of the facilities and  
12 services of insurance companies, insurers, insurance  
13 agents and brokers, and insurance adjustment orga-  
14 nizations pursuant to the authority in this section,  
15 nor as a condition of eligibility to engage in any  
16 other activities under the National Flood Insurance  
17 Program under this title, restrict any such company,  
18 insurer, agent, broker, or organization from offering  
19 and selling private flood insurance (as such term is  
20 defined in section 102(b)(9) of the Flood Disaster  
21 Protection Act of 1973 (42 U.S.C. 4012a(b)(9))).

22 “(2) **FINANCIAL ASSISTANCE/SUBSIDY AR-**  
23 **RANGEMENT.**—After the date of the enactment of  
24 this subsection—

25 “(A) the Administrator may not include in  
26 any agreement entered into with any insurer for

1 participation in the Write Your Own Program  
2 any provision establishing a condition prohib-  
3 ited by paragraph (1), including the provisions  
4 of Article XIII of the Federal Emergency Man-  
5 agement Agency, Federal Insurance Adminis-  
6 tration, Financial Assistance/Subsidy Arrange-  
7 ment, as adopted pursuant to section 62.23(a)  
8 of title 44 of the Code of Federal Regulations;  
9 and

10 “(B) any such provision in any such agree-  
11 ment entered into before such date of enact-  
12 ment shall not have any force or effect, and the  
13 Administrator may not take any action to en-  
14 force such provision.”.

15 **SEC. 204. PUBLIC AVAILABILITY OF PROGRAM INFORMA-**  
16 **TION.**

17 Part C of chapter II of the National Flood Insurance  
18 Act of 1968 (42 U.S.C. 4081 et seq.) is amended by add-  
19 ing at the end the following new section:

20 **“SEC. 1349. PUBLIC AVAILABILITY OF PROGRAM INFORMA-**  
21 **TION.**

22 “(a) FLOOD RISK INFORMATION.—

23 “(1) IN GENERAL.—Except as provided in para-  
24 graph (2), to facilitate the National Flood Insurance  
25 Program becoming a source of information and data



1       for research and development of technology that bet-  
2       ter understands flooding, the risk of flooding, and  
3       the predictability of perils of flooding, the Adminis-  
4       trator shall make publicly available all data, models,  
5       assessments, analytical tools, and other information  
6       in the possession of the Administrator relating to  
7       the National Flood Insurance Program under this  
8       title that is used in assessing flood risk or identi-  
9       fying and establishing flood elevations and pre-  
10      miums, including—

11               “(A) data relating to risk on individual  
12               properties and loss ratio information and other  
13               information identifying losses under the pro-  
14               gram;

15               “(B) current and historical policy informa-  
16               tion, limited to the amount and term only, for  
17               properties currently covered by flood insurance  
18               and for properties that are no longer covered by  
19               flood insurance;

20               “(C) current and historical claims informa-  
21               tion, limited to the date and amount paid only,  
22               for properties currently covered by flood insur-  
23               ance and for properties that are no longer cov-  
24               ered by flood insurance;

1           “(D) identification of whether a property  
2           was constructed before or after the effective  
3           date of the first flood insurance rate map for a  
4           community;

5           “(E) identification of properties that have  
6           been mitigated through elevation, a buyout, or  
7           any other mitigation action; and

8           “(F) identification of unmitigated multiple-  
9           loss properties.

10          “(2) OPEN SOURCE DATA SYSTEM.—In carrying  
11          out paragraph (1), the Administrator shall establish  
12          an open source data system by which all information  
13          required to be made publicly available by such sub-  
14          section may be accessed by the public on an imme-  
15          diate basis by electronic means.

16          “(b) COMMUNITY INFORMATION.—Not later than the  
17          expiration of the 12-month period beginning upon the date  
18          of the enactment of this section, the Administrator shall  
19          establish and maintain a publicly searchable database that  
20          provides information about each community participating  
21          in the National Flood Insurance Program, which shall in-  
22          clude the following information:

23               “(1) The status of the community’s compliance  
24               with the National Flood Insurance Program, includ-  
25               ing any findings of noncompliance, the status of any

1 enforcement actions initiated by a State or by the  
2 Administrator, and the number of days of any such  
3 continuing noncompliance.

4 “(2) The number of properties located in the  
5 community’s special flood hazard areas that were  
6 built before the effective date of the first flood insur-  
7 ance rate map for the community.

8 “(3) The number of properties located in the  
9 community’s special flood hazard areas that were  
10 built after the effective date of the first flood insur-  
11 ance rate map for the community.

12 “(4) The total number of current and historical  
13 claims located outside the community’s special flood  
14 hazard areas.

15 “(5) The total number of multiple-loss prop-  
16 erties in the community.

17 “(6) The portion of the community, stated as a  
18 percentage and in terms of square miles, that is lo-  
19 cated within special flood hazard areas.

20 “(c) IDENTIFICATION OF PROPERTIES.—The infor-  
21 mation provided pursuant to subsections (a) and (b) shall  
22 be based on data that identifies properties at the zip code  
23 or census block level, and shall include the name of the  
24 community and State in which a property is located.

1       “(d) PROTECTION OF PERSONALLY IDENTIFIABLE  
 2 INFORMATION.—The information provided pursuant to  
 3 subsections (a) and (b) shall be disclosed in a format that  
 4 does not reveal individually identifiable information about  
 5 property owners in accordance with the section 552a of  
 6 title 5, United States Code.

7       “(e) DEFINITION OF LOSS RATIO.—For purposes of  
 8 this section, the term ‘loss ratio’ means, with respect to  
 9 the National Flood Insurance Program, the ratio of the  
 10 amount of claims paid under the Program to the amount  
 11 of premiums paid under the Program.”.

12 **SEC. 205. REFUND OF PREMIUMS UPON CANCELLATION OF**  
 13 **POLICY BECAUSE OF REPLACEMENT WITH**  
 14 **PRIVATE FLOOD INSURANCE.**

15       Section 1306 of the National Flood Insurance Act of  
 16 1968 (42 U.S.C. 4013) is amended by adding at the end  
 17 the following new subsection:

18       “(e) REFUND OF UNEARNED PREMIUMS FOR POLI-  
 19 CIES CANCELED BECAUSE OF REPLACEMENT WITH PRI-  
 20 VATE FLOOD INSURANCE.—

21           “(1) REQUIRED REFUND.—Subject to sub-  
 22 section (c), if at any time an insured under a policy  
 23 for flood insurance coverage for a property that is  
 24 made available under this title cancels such policy  
 25 because other duplicate flood insurance coverage for

1 the same property has been obtained from a source  
2 other than the National Flood Insurance Program  
3 under this title, the Administrator shall refund to  
4 the former insured a portion of the premiums paid  
5 for the coverage made available under this title, as  
6 determined consistent with industry practice accord-  
7 ing to the portion of the term of the policy that such  
8 coverage was in effect, but only if a copy of declara-  
9 tions page of the new policy obtained from a source  
10 other than the program under this title is provided  
11 to the Administrator.

12 “(2) EFFECTIVE DATE OF CANCELLATION.—  
13 For purposes of this subsection, a cancellation of a  
14 policy for coverage made available under the na-  
15 tional flood insurance program under this title, for  
16 the reason specified in paragraph (1), shall be effec-  
17 tive—

18 “(A) on the effective date of the new policy  
19 obtained from a source other than the program  
20 under this title, if the request for such cancella-  
21 tion was received by the Administrator before  
22 the expiration of the 6-month period beginning  
23 on the effective date of the new policy; or

24 “(B) on the date of the receipt by the Ad-  
25 ministrator of the request for cancellation, if

1 the request for such cancellation was received  
2 by the Administrator after the expiration of the  
3 6-month period beginning on the effective date  
4 of the new policy.

5 “(3) PROHIBITION OF REFUNDS FOR PROP-  
6 ERTIES RECEIVING INCREASED COST OF COMPLI-  
7 ANCE CLAIMS.—No premium amounts paid for cov-  
8 erage made available under this title may be re-  
9 funded pursuant to this subsection—

10 “(A) with respect to coverage for any prop-  
11 erty for which measures have been implemented  
12 using amounts received pursuant to a claim  
13 under increased cost of compliance coverage  
14 made available pursuant to section 1304(b); or

15 “(B) if a claim has been paid or is pending  
16 under the policy term for which the refund is  
17 sought.”.

18 **SEC. 206. GAO STUDY OF FLOOD DAMAGE SAVINGS AC-**  
19 **COUNTS.**

20 (a) IN GENERAL.—The Comptroller General of the  
21 United States shall conduct a study to analyze the feasi-  
22 bility and effectiveness, and problems involved, in reducing  
23 flood insurance premiums and eliminating the need for  
24 purchase of flood insurance coverage by authorizing own-  
25 ers of residential properties to establish flood damage sav-

1 ings accounts described in subsection (b) in lieu of com-  
2 plying with the mandatory requirements under section 102  
3 of the Flood Disaster Protection Act of 1973 (42 U.S.C.  
4 4012a) to purchase flood insurance for such properties.

5 (b) FLOOD DAMAGE SAVINGS ACCOUNT.—A flood  
6 damage savings account described in this subsection is a  
7 savings account—

8 (1) that would be established by an owner of  
9 residential property with respect to such property in  
10 accordance with requirements established by the Ad-  
11 ministrator of the Federal Emergency Management  
12 Agency; and

13 (2) the proceeds of which would be available for  
14 use only to cover losses to such properties resulting  
15 from flooding, pursuant to adjustment of a claim for  
16 such losses in the same manner and according to the  
17 same procedures as apply to claims for losses under  
18 flood insurance coverage made available under the  
19 National Flood Insurance Act of 1968.

20 (c) ISSUES.—Such study shall include an analysis of,  
21 and recommendation regarding, each of the following  
22 issues:

23 (1) Whether authorizing the establishment of  
24 such flood damage savings accounts would be effec-  
25 tive and efficient in reducing flood insurance pre-

1 miums, eliminating the need for purchase of flood  
2 insurance coverage made available under the Na-  
3 tional Flood Insurance Program, and reducing risks  
4 to the financial safety and soundness of the National  
5 Flood Insurance Fund.

6 (2) Possible options for structuring such flood  
7 damage savings accounts, including—

8 (A) what types of institutions could hold  
9 such accounts and the benefits and problems  
10 with each such type of institution;

11 (B) considerations affecting the amounts  
12 required to be held in such accounts; and

13 (C) options regarding considerations the  
14 conditions under which such an account may be  
15 terminated.

16 (3) The feasibility and effectiveness, and prob-  
17 lems involved in, authorizing the Administrator of  
18 the Federal Emergency Management Agency to  
19 make secondary flood insurance coverage available  
20 under the National Flood Insurance Program to  
21 cover the portion of flood losses or damages to prop-  
22 erties for which such flood damage savings accounts  
23 have been established that exceed the amounts held  
24 in such accounts.



1           (4) The benefits and problems involved in au-  
2           thorizing the establishment of such accounts for  
3           non-residential properties.

4           (d) REPORT.—Not later than the expiration of the  
5   12-month period beginning on the date of the enactment  
6   of this Act, the Comptroller General shall submit a report  
7   to the Committee on Financial Services of the House of  
8   Representatives, the Committee on Banking, Housing,  
9   and Urban Affairs of the Senate, and the Administrator  
10  that sets forth the analysis, conclusions, and recommenda-  
11  tions resulting from the study under this section. Such re-  
12  port shall identify elements that should be taken into con-  
13  sideration by the Administrator in designing and carrying  
14  out the demonstration program under section 207.

15 **SEC. 207. DEMONSTRATION PROGRAM FOR FLOOD DAMAGE**  
16 **SAVINGS ACCOUNTS.**

17          (a) PLAN.—If the Comptroller General of the United  
18  States concludes in the report required under section 206  
19  that a demonstration program under this section is fea-  
20  sible and should be considered, then the Administrator of  
21  the Federal Emergency Management Agency shall, not  
22  later than the expiration of the 12-month period beginning  
23  upon the submission of the report under section 206(d),  
24  submit to the Committee on Financial Services of the  
25  House of Representatives and the Committee on Banking,

1 Housing, and Urban Affairs of the Senate a plan and  
2 guidelines for a demonstration program, to be carried out  
3 by the Administrator, to demonstrate the feasibility and  
4 effectiveness of authorizing the establishment of flood  
5 damage savings accounts, taking into consideration the  
6 analysis, conclusions, and recommendations included in  
7 such report.

8 (b) AUTHORITY.—The Administrator of the Federal  
9 Emergency Management Agency shall carry out a pro-  
10 gram to demonstrate the feasibility and effectiveness of  
11 authorizing the establishment of flood damage savings ac-  
12 counts in the manner provided in plan and guidelines for  
13 the demonstration program submitted pursuant to sub-  
14 section (a).

15 (c) SCOPE.—The demonstration program under this  
16 section shall provide for the establishment of flood damage  
17 savings accounts with respect to not more than 5 percent  
18 of the residential properties that have 4 or fewer resi-  
19 dences and that are covered by flood insurance coverage  
20 made available under the National Flood Insurance Pro-  
21 gram.

22 (d) TIMING.—The Administrator shall commence the  
23 demonstration program under this section not later than  
24 the expiration of the 12-month period beginning upon the

1 submission of the plan and guidelines for the demonstra-  
2 tion pursuant to subsection (a).

3 (e) GEOGRAPHICAL DIVERSITY.—The Administrator  
4 shall ensure that properties for which flood damage sav-  
5 ings accounts are established under the demonstration are  
6 located in diverse geographical areas throughout the  
7 United States.

8 (f) REPORT.—Upon the expiration of the 2-year pe-  
9 riod beginning upon the date of the commencement of the  
10 demonstration program under this section, the Adminis-  
11 trator shall submit a report to the Committee on Financial  
12 Services of the House of Representatives and the Com-  
13 mittee on Banking, Housing, and Urban Affairs of the  
14 Senate describing and assessing the demonstration, and  
15 setting forth conclusions and recommendations regarding  
16 continuing and expanding the demonstration.

17 (g) FEASIBILITY.—The Administrator shall imple-  
18 ment this section only after determining that implementa-  
19 tion is supported by the Comptroller's conclusions and rec-  
20 ommendations contained in the report required under sec-  
21 tion 206.

1     **TITLE III—MAPPING FAIRNESS**

2     **SEC. 301. USE OF OTHER RISK ASSESSMENT TOOLS IN DE-**  
3                   **TERMINING PREMIUM RATES.**

4           (a) ESTIMATES OF PREMIUM RATES.—Subparagraph  
5     (A) of section 1307(a)(1) of the National Flood Insurance  
6     Act of 1968 (42 U.S.C. 4014(a)(1)(A)), as amended by  
7     the preceding provisions of this Act, is further amended—

8                 (1) in clause (ii), by striking “and” at the end;

9                 and

10                (2) by adding at the end the following new  
11     clause:

12                         “(iv) both the risk identified by the  
13                         applicable flood insurance rate maps and  
14                         by other risk assessment data and tools,  
15                         including risk assessment models and  
16                         scores from appropriate sources; and”.

17           (b) ESTABLISHMENT OF CHARGEABLE PREMIUM  
18     RATES.—Paragraph (1) of section 1308(b) of the Na-  
19     tional Flood Insurance Act of 1968 (42 U.S.C.  
20     4015(b)(1)) is amended by inserting before the semicolon  
21     at the end the following: “, taking into account both the  
22     risk identified by the applicable flood insurance rate maps  
23     and by other risk assessment data and tools, including risk  
24     assessment models and scores from appropriate sources”.

25           (c) EFFECTIVE DATE AND REGULATIONS.—

1           (1) EFFECTIVE DATE.—The amendments made  
2       by subsections (a) and (b) shall be made, and shall  
3       take effect, upon the expiration of the 36-month pe-  
4       riod beginning on the date of the enactment of this  
5       Act.

6           (2) REGULATIONS.—The Administrator of the  
7       Federal Emergency Management Agency shall issue  
8       regulations necessary to implement the amendments  
9       made by subsections (a) and (b), which shall identify  
10      risk assessment data and tools to be used in identi-  
11      fying flood risk and appropriate sources for risk as-  
12      sessment models and scores to be so used. Such reg-  
13      ulations shall be issued not later than the expiration  
14      of the 36-month period beginning on the date of the  
15      enactment of this Act and shall take effect upon the  
16      expiration of such period.

17 **SEC. 302. APPEALS REGARDING EXISTING FLOOD MAPS.**

18       (a) IN GENERAL.—Section 1360 of the National  
19      Flood Insurance Act of 1968 (42 U.S.C. 4101) is amended  
20      by adding at the end the following new subsection:

21       “(k) APPEALS OF EXISTING MAPS.—

22           “(1) RIGHT TO APPEAL.—Subject to paragraph  
23       (6), a State or local government, or the owner or les-  
24       see of real property, who has made a formal request  
25       to the Administrator to update a flood map that the

1 Administrator has denied may at any time appeal  
2 such a denial as provided in this subsection.

3 “(2) BASIS FOR APPEAL.—The basis for appeal  
4 under this subsection shall be the possession of  
5 knowledge or information that—

6 “(A) the base flood elevation level or des-  
7 ignation of any aspect of a flood map is sci-  
8 entifically or technically inaccurate; or

9 “(B) factors exist that mitigate the risk of  
10 flooding, including ditches, banks, walls, vegeta-  
11 tion, levees, lakes, dams, reservoirs, basin, re-  
12 tention ponds, and other natural or manmade  
13 topographical features.

14 “(3) APPEALS PROCESS.—

15 “(A) ADMINISTRATIVE ADJUDICATION.—  
16 An appeal under this subsection shall be deter-  
17 mined by a final adjudication on the record,  
18 and after opportunity for an administrative  
19 hearing.

20 “(B) RIGHTS UPON ADVERSE DECISION.—  
21 If an appeal pursuant to subparagraph (A) does  
22 not result in a decision in favor of the State,  
23 local government, owner, or lessee, such party  
24 may appeal the adverse decision to the Sci-  
25 entific Resolution Panel provided for in section

1           1363A, which shall recommend a non-binding  
2           decision to the Administrator.

3           “(4) RELIEF.—

4                   “(A) WHOLLY SUCCESSFUL APPEALS.—In  
5           the case of a successful appeal resulting in a  
6           policyholder’s property being removed from a  
7           special flood hazard area, such policyholder may  
8           cancel the policy at any time within the current  
9           policy year, and the Administrator shall provide  
10          such policyholder a refund in the amount of any  
11          premiums paid for such policy year, plus any  
12          premiums paid for flood insurance coverage  
13          that the policyholder was required to purchase  
14          or maintain during the 2-year period preceding  
15          such policy year.

16                   “(B) PARTIALLY SUCCESSFUL APPEALS.—  
17          In the case of any appeal in which mitigating  
18          factors were determined to have reduced, but  
19          not eliminated, the risk of flooding, the Admin-  
20          istrator shall reduce the amount of flood insur-  
21          ance coverage required to be maintained for the  
22          property concerned by the ratio of the success-  
23          ful portion of the appeal as compared to the en-  
24          tire appeal. The Administrator shall refund to  
25          the policyholder any payments made in excess

1 of the amount necessary for such new coverage  
2 amount, effective from the time when the miti-  
3 gating factor was created or the beginning of  
4 the second policy year preceding the determina-  
5 tion of the appeal, whichever occurred later.

6 “(C) ADDITIONAL RELIEF.—The Adminis-  
7 trator may provide additional refunds in excess  
8 of the amounts specified in subparagraphs (A)  
9 and (B) if the Administrator determines that  
10 such additional amounts are warranted.

11 “(5) RECOVERY OF COSTS.—When, incident to  
12 any appeal which is successful in whole or part re-  
13 garding the designation of the base flood elevation  
14 or any aspect of the flood map, including elevation  
15 or designation of a special flood hazard area, the  
16 community, or the owner or lessee of real property,  
17 as the case may be, incurs expense in connection  
18 with the appeal, including services provided by sur-  
19 veyors, engineers, and scientific experts, the Admin-  
20 istrator shall reimburse such individual or commu-  
21 nity for reasonable expenses to an extent measured  
22 by the ratio of the successful portion of the appeal  
23 as compared to the entire appeal, but not including  
24 legal services, in the effecting of an appeal based on  
25 a scientific or technical error on the part of the Fed-



1       eral Emergency Management Agency. No reimburse-  
2       ment shall be made by the Administrator in respect  
3       to any fee or expense payment, the payment of  
4       which was agreed to be contingent upon the result  
5       of the appeal. The Administrator may use such  
6       amounts from the National Flood Insurance Fund  
7       established under section 1310 as may be necessary  
8       to carry out this paragraph.

9               “(6) INAPPLICABILITY TO COMMUNITY FLOOD  
10       MAPS.—This subsection shall not apply with respect  
11       to any flood map that is in effect pursuant to certifi-  
12       cation under the standards, guidelines, and proce-  
13       dures established pursuant to section  
14       100215(m)(1)(B) of the Biggert-Waters Flood In-  
15       surance Reform Act of 2012 (42 U.S.C.  
16       4101a(m)(1)(B)).

17              “(7) GUIDANCE.—The Administrator shall  
18       issue guidance to implement this subsection, which  
19       shall not be subject to the notice and comment re-  
20       quirements under section 553 of title 5, United  
21       States Code.”.

22       (b) DEADLINE.—The Administrator of the Federal  
23       Emergency Management Agency shall issue the guidance  
24       referred to section 1360(k)(7) of the National Flood In-  
25       surance Act of 1968 (42 U.S.C. 4101(k)(7)), as added by

1 the amendment made by subsection (a) of this section, not  
2 later than the expiration of the 6-month period beginning  
3 on the date of the enactment of this Act.

4 **SEC. 303. APPEALS AND PUBLICATION OF PROJECTED SPE-**  
5 **CIAL FLOOD HAZARD AREAS.**

6 (a) APPEALS.—Section 1363 of the National Flood  
7 Insurance Act of 1968 (42 U.S.C. 4104) is amended—

8 (1) in subsection (b), by striking the second  
9 sentence and inserting the following: “Any owner or  
10 lessee of real property within the community who be-  
11 lieves the owner’s or lessee’s rights to be adversely  
12 affected by the Administrator’s proposed determina-  
13 tion may appeal such determination to the local gov-  
14 ernment no later than 90 days after the date of the  
15 second publication.”;

16 (2) in subsection (d), by striking “subsection  
17 (e)” and inserting “subsection (f)”;

18 (3) by redesignating subsections (e), (f), and  
19 (g) as subsections (f), (g), and (h), respectively; and

20 (4) by inserting after subsection (d) the fol-  
21 lowing new subsection:

22 “(e) DETERMINATION BY ADMINISTRATOR IN THE  
23 ABSENCE OF APPEALS.—If the Administrator has not re-  
24 ceived any appeals, upon expiration of the 90-day appeal  
25 period established under subsection (b) of this section the

1 Administrator’s proposed determination shall become  
2 final. The community shall be given a reasonable time  
3 after the Administrator’s final determination in which to  
4 adopt local land use and control measures consistent with  
5 the Administrator’s determination.”.

6 (b) PUBLICATION.—Subsection (a) of section 1363 of  
7 the National Flood Insurance Act of 1968 (42 U.S.C.  
8 4104(a)) is amended by striking “in the Federal Reg-  
9 ister”.

10 (c) INAPPLICABILITY TO PRIVATE AND COMMUNITY  
11 FLOOD MAPS.—Section 1363 of the National Flood Insur-  
12 ance Act of 1968 (42 U.S.C. 4104), as amended by the  
13 preceding provisions of this section, is further amended  
14 by adding at the end the following new subsection:

15 “(i) INAPPLICABILITY TO COMMUNITY FLOOD  
16 MAPS.—This section shall not apply with respect to any  
17 flood map that is in effect pursuant to certification under  
18 the standards, guidelines, and procedures established pur-  
19 suant to section 100215(m)(1) of the Biggert-Waters  
20 Flood Insurance Reform Act of 2012 (42 U.S.C.  
21 4101a(m)(1)), which shall include procedures for pro-  
22 viding notification and appeal rights to individuals within  
23 the communities of the proposed flood elevation deter-  
24 minations.”.

1 **SEC. 304. COMMUNICATION AND OUTREACH REGARDING**  
2 **MAP CHANGES.**

3 Paragraph (1) of section 100216(d) of the Biggert-  
4 Waters Flood Insurance Reform Act of 2012 (42 U.S.C.  
5 4101b(d)(1)) is amended—

6 (1) in subparagraph (B), by inserting “max-  
7 imum” before “30-day period”; and

8 (2) in subparagraph (C), by inserting “max-  
9 imum” before “30-day period”.

10 **SEC. 305. SHARING AND USE OF MAPS AND DATA.**

11 Subsection (b) of section 100216 of the Biggert-  
12 Waters Flood Insurance Reform Act of 2012 (42 U.S.C.  
13 4101b(b)) is amended—

14 (1) in paragraph (1)—

15 (A) in subparagraph (B), by striking  
16 “and” at the end;

17 (B) in subparagraph (C), by striking the  
18 period at the end and inserting “; and” ; and

19 (C) by adding at the end the following new  
20 subparagraph:

21 “(D) consult and coordinate with the De-  
22 partment of Defense, the United States Geo-  
23 logical Survey, and the National Oceanic and  
24 Atmospheric Administration for the purpose of  
25 obtaining the most-up-to-date maps and other  
26 information of such agencies, including infor-

1 mation on topography, water flow, and any  
2 other issues, relevant to mapping for flood in-  
3 surance purposes.”; and

4 (2) in paragraph (3)—

5 (A) in subparagraph (D), by striking  
6 “and” at the end;

7 (B) by redesignating subparagraph (E) as  
8 subparagraph (F); and

9 (C) by inserting after subparagraph (D)  
10 the following new subparagraph:

11 “(E) any other information relevant to  
12 mapping for flood insurance purposes obtained  
13 pursuant to paragraph (1)(D); and”.

14 **SEC. 306. COMMUNITY FLOOD MAPS.**

15 (a) TECHNICAL MAPPING ADVISORY COUNCIL.—Sec-  
16 tion 100215 of the Biggert-Waters Flood Insurance Re-  
17 form Act of 2012 (42 U.S.C. 4101a) is amended—

18 (1) in subsection (c)—

19 (A) in paragraph (5)(B), by striking “and”  
20 at the end;

21 (B) by redesignating paragraph (6) as  
22 paragraph (9); and

23 (C) by inserting after paragraph (5) the  
24 following new paragraphs:

1           “(6) recommend to the Administrator methods  
2           or actions to make the flood mapping processes more  
3           efficient;

4           “(7) recommend to the Administrator methods  
5           or actions to minimize any cost, data, and paper-  
6           work requirements of the flood mapping processes;

7           “(8) assist communities, and in particular  
8           smaller communities, in locating the resources re-  
9           quired to participate in the development of flood ele-  
10          vations and flood hazard area designations; and”;  
11          and

12           (2) by adding at the end the following new sub-  
13          section:

14          “(m) COMMUNITY FLOOD MAPS.—

15           “(1) STANDARDS AND PROCEDURES.—In addi-  
16          tion to the other duties of the Council under this  
17          section, not later than the expiration of the 12-  
18          month period beginning on the date of the enact-  
19          ment of this subsection, the Council shall rec-  
20          ommend to the Administrator standards and re-  
21          quirements for chief executive officers, or entities  
22          designated by chief executive officers, of States and  
23          communities participating in the National Flood In-  
24          surance Program to use in mapping flood hazards  
25          located in States and communities that choose to de-

1        develop alternative maps to the flood insurance rate  
 2        maps developed by the Agency. The recommended  
 3        standards and requirements shall include procedures  
 4        for providing notification and appeal rights to indi-  
 5        viduals within the communities of the proposed flood  
 6        elevation determinations.

7            “(2) EXEMPTION FROM RULEMAKING.—Until  
 8        such time as the Administrator promulgates regula-  
 9        tions implementing paragraph (1) of this subsection,  
 10       the Administrator may, notwithstanding any other  
 11       provision of law, adopt policies and procedures nec-  
 12       essary to implement such paragraphs without under-  
 13       going notice and comment rulemaking and without  
 14       conducting regulatory analyses otherwise required by  
 15       statute, regulation, or executive order.”.

16        (b) FEMA IDENTIFICATION OF FLOOD-PRONE  
 17 AREAS.—Subsection (a) of section 1360 of the National  
 18 Flood Insurance Act of 1968 (42 U.S.C. 4101(a)) is  
 19 amended—

20            (1) in paragraph (2), by striking the period at  
 21        the end and inserting “; and”;

22            (2) by redesignating paragraphs (1) and (2) as  
 23        subparagraphs (A), and (B), respectively, and re-  
 24        aligning such subparagraphs so as to be indented 4  
 25        ems from the left margin;

1           (3) by striking “is authorized to consult” and  
2       inserting the following: “is authorized—

3           “(1) to consult”;

4           (4) by adding at the end the following new  
5       paragraph:

6           “(2) to receive proposed alternative maps from  
7       communities developed pursuant to standards and  
8       requirements recommended by the Technical Map-  
9       ping Advisory Council, as required by section  
10      100215(m) of the Biggert-Waters Flood Insurance  
11      Reform Act of 2012 (42 U.S.C. 4101a(m)) and  
12      adopted by the Administrator as required by section  
13      100216(c)(3) of such Act (42 U.S.C. 4101b(c)(3)),  
14      so that the Administrator may—

15           “(A) publish information with respect to  
16      all flood plain areas, including coastal areas lo-  
17      cated in the United States, which have special  
18      flood hazards, and

19           “(B) establish or update flood-risk zone  
20      data in all such areas, and make estimates with  
21      respect to the rates of probable flood caused  
22      loss for the various flood risk zones for each of  
23      these areas until the date specified in section  
24      1319.”.



1       (c) NATIONAL FLOOD MAPPING PROGRAM.—Section  
2 100216 of the Biggert-Waters Flood Insurance Reform  
3 Act of 2012 (42 U.S.C. 4101b) is amended—

4           (1) in subsection (a), by inserting “prepared by  
5 the Administrator, or by a community pursuant to  
6 section 1360(a)(2) of the National Flood Insurance  
7 Act of 1968,” after “Program rate maps”; and

8           (2) in subsection (c)—

9               (A) in paragraph (1)(B), by striking “and”  
10 at the end;

11              (B) in paragraph (2)(C), by striking the  
12 period at the end and inserting a semicolon;  
13 and

14              (C) by adding at the end the following new  
15 paragraphs:

16           “(3) establish and adopt standards and require-  
17 ments for development by States and communities of  
18 alternative flood insurance rate maps to be sub-  
19 mitted to the Administrator pursuant to section  
20 1360(a)(2) of the National Flood Insurance Act of  
21 1968, taking into consideration the recommenda-  
22 tions of the Technical Mapping Advisory Council  
23 made pursuant to section 100215(m) of this Act (42  
24 U.S.C. 4101a(m)); and

1 “(4) in the case of proposed alternative maps  
 2 received by the Administrator pursuant to such sec-  
 3 tion 1360(a)(2), not later than the expiration of the  
 4 6-month period beginning upon receipt of such pro-  
 5 posed alternative maps—

6 “(A) determine whether such maps were  
 7 developed in accordance with the standards and  
 8 requirements adopted pursuant to paragraph  
 9 (3) of this subsection; and

10 “(B) approve or disapprove such proposed  
 11 maps for use under National Flood Insurance  
 12 Program.”.

13 **TITLE IV—PROTECTING CON-**  
 14 **SUMERS AND INDIVIDUALS**  
 15 **THROUGH IMPROVED MITI-**  
 16 **GATION**

17 **SEC. 401. PROVISION OF COMMUNITY RATING SYSTEM PRE-**  
 18 **MIUM CREDITS TO MAXIMUM NUMBER OF**  
 19 **COMMUNITIES PRACTICABLE.**

20 Subsection (b) of section 1315 of the National Flood  
 21 Insurance Act of 1968 (42 U.S.C. 4022(b)) is amended—

22 (1) in paragraph (2), by striking “may” and in-  
 23 serting “shall”; and

24 (2) in paragraph (3), by inserting “, and the  
 25 Administrator shall provide credits to the maximum

1       number of communities practicable” after “under  
2       this program”.

3   **SEC. 402. COMMUNITY ACCOUNTABILITY FOR REPET-**  
4                   **ITIVELY FLOODED AREAS.**

5       (a) IN GENERAL.—Section 1361 of the National  
6   Flood Insurance Act of 1968 (42 U.S.C. 4102) is amended  
7   by adding at the end the following new subsection:

8       “(e) COMMUNITY ACCOUNTABILITY FOR REPET-

9   ITIVELY DAMAGED AREAS.—

10           “(1) IN GENERAL.—The Administrator shall,  
11   by regulation, require any covered community (as  
12   such term is defined in paragraph (5))—

13                   “(A) to identify the areas within the com-  
14           munity where properties described in paragraph  
15           (5)(B) or flood-damaged facilities are located to  
16           determine areas repeatedly damaged by floods  
17           and to assess, with assistance from the Admin-  
18           istrator, the continuing risks to such areas;

19                   “(B) to develop a community-specific plan  
20           for mitigating continuing flood risks to such re-  
21           petitively flooded areas and to submit such plan  
22           and plan updates to the Administrator at ap-  
23           propriate intervals;

24                   “(C) to implement such plans;

1           “(D) to make such plan, plan updates, and  
2           reports on progress in reducing flood risk avail-  
3           able to the public, subject to section 552a of  
4           title 5, United States Code.

5           “(2) INCORPORATION INTO EXISTING PLANS.—  
6           Plans developed pursuant to paragraph (1) may be  
7           incorporated into mitigation plans developed under  
8           section 1366 of this Act (42 U.S.C. 4104c) and haz-  
9           ard mitigation plans developed under section 322 of  
10          the Robert T. Stafford Disaster Relief and Emer-  
11          gency Assistance Act (42 U.S.C. 5165).

12          “(3) ASSISTANCE TO COMMUNITIES.—

13               “(A) DATA.—To assist communities in  
14               preparation of plans required under paragraph  
15               (1), the Administrator shall, upon request, pro-  
16               vide covered communities with appropriate data  
17               regarding the property addresses and dates of  
18               claims associated with insured properties within  
19               the community.

20               “(B) MITIGATION GRANTS.—In making de-  
21               terminations regarding financial assistance  
22               under the authorities of this Act, the Adminis-  
23               trator may consider the extent to which a com-  
24               munity has complied with this subsection and is

1 working to remedy problems with addressing re-  
2 peatedly flooded areas.

3 “(4) SANCTIONS.—

4 “(A) IN GENERAL.—The Administrator  
5 shall, by regulations issued in accordance with  
6 the procedures established under section 553 of  
7 title 5, United States Code, regarding sub-  
8 stantive rules, provide appropriate sanctions for  
9 covered communities that fail to comply with  
10 the requirements under this subsection or to  
11 make sufficient progress in reducing the flood  
12 risks to areas in the community that are repeat-  
13 edly damaged by floods.

14 “(B) NOTICE.—Before imposing any sanc-  
15 tion pursuant to this paragraph, the Adminis-  
16 trator shall provide the covered community in-  
17 volved with notice of the non-compliance that  
18 could result in the imposition of sanctions,  
19 which shall include recommendations for actions  
20 to bring the covered community into compli-  
21 ance.

22 “(C) CONSIDERATIONS.—In determining  
23 appropriate sanctions to impose under this  
24 paragraph, the Administrator shall consider the  
25 resources available to the covered community

involved, including Federal funding, the portion of the covered community that lies within an area having special flood hazards, and other factors that make it difficult for the covered community to conduct mitigation activities for existing flood-prone structures.

“(5) COVERED COMMUNITY.—For purposes of this subsection, the term ‘covered community’ means a community—

“(A) that is participating, pursuant to section 1315, in the national flood insurance program; and

“(B) within which are located—

“(i) 50 or more repetitive loss structures for each of which, during any 10-year period, two or more claims for payments under flood insurance coverage have been made with a cumulative amount exceeding \$1,000;

“(ii) 5 or more severe repetitive loss structures (as such term is defined in section 1366(h)) for which mitigation activities meeting the standards for approval under section 1366(c)(2)(A) have not been conducted; or

1                   “(iii) a public facility or a private  
2                   nonprofit facility (as such terms are as de-  
3                   fined in section 102 of the Robert T. Staf-  
4                   ford Disaster Relief and Emergency Assist-  
5                   ance Act (42 U.S.C. 5122)), that has re-  
6                   ceived assistance for repair, restoration, re-  
7                   construction, or replacement under section  
8                   406 of the Robert T. Stafford Disaster Re-  
9                   lief and Emergency Assistance Act (42  
10                  U.S.C. 5172) in connection with more than  
11                  one flooding event in the most recent 10-  
12                  year period.

13                  “(6) REPETITIVE-LOSS STRUCTURE.—For pur-  
14                  poses of this subsection, the term ‘repetitive loss  
15                  structure’ has the meaning given such term in sec-  
16                  tion 1370 (42 U.S.C. 4121).

17                  “(7) REPORTS TO CONGRESS.—Not later than  
18                  the expiration of the 6-year period beginning upon  
19                  the date of the enactment of this subsection, and not  
20                  less than every 2 years thereafter, the Administrator  
21                  shall submit a report to the Congress regarding the  
22                  progress in implementing plans developed pursuant  
23                  to paragraph (1)(B).”.

24                  (b) REGULATIONS.—The Administrator of the Fed-  
25                  eral Emergency Management Agency shall issue regula-

1 tions necessary to carry out subsection (e) of section 1361  
 2 of the National Flood Insurance Act of 1968, as added  
 3 by the amendment made by subsection (a) of this section,  
 4 not later than the expiration of the 12-month period that  
 5 begins on the date of the enactment of this Act.

6 **SEC. 403. INCREASED COST OF COMPLIANCE COVERAGE.**

7 (a) **COVERAGE OF PROPERTIES AT HIGH RISK OF**  
 8 **FUTURE FLOOD DAMAGE.**—Subsection (b) of section  
 9 1304 of the National Flood Insurance Act of 1968 (42  
 10 U.S.C. 4011(b)) is amended—

11 (1) in paragraph (4), by redesignating subpara-  
 12 graphs (A) through (D) as clauses (i) through (iv),  
 13 respectively, and realigning such clauses, as so re-  
 14 designated, so as to be indented 6 ems from the left  
 15 margin;

16 (2) by redesignating paragraphs (1) through  
 17 (4) as subparagraphs (A) through (D), respectively,  
 18 and realigning such subparagraphs, as so redesign-  
 19 ated, so as to be indented 4 ems from the left mar-  
 20 gin;

21 (3) by striking the subsection designation and  
 22 all that follows through “The national” and insert-  
 23 ing the following:

24 “(b) **ADDITIONAL COVERAGE FOR COMPLIANCE**  
 25 **WITH LAND USE AND CONTROL MEASURES.**—



1           “(1) AUTHORITY; ELIGIBLE PROPERTIES.—The  
2       national”;

3           (4) in subparagraph (C) (as so redesignated by  
4       paragraph (2) of this subsection), by striking  
5       “Fund” and all that follows and inserting “Fund to  
6       require the implementation of such measures;”;

7           (5) in subparagraph (D)(iv) (as so redesignated  
8       by paragraphs (1) and (2) of this subsection), by  
9       striking the period at the end and inserting a semi-  
10      colon; and

11          (6) by adding at the end the following new sub-  
12      paragraphs:

13               “(E) properties that have been identified  
14              by the Administrator, or by a community in ac-  
15              cordance with such requirements as the Admin-  
16              istrator shall establish, as at a high risk of fu-  
17              ture flood damage; and

18               “(F) properties that are located within an  
19              area identified pursuant to section  
20              1361(e)(1)(A) (42 U.S.C. 4102(e)(1)(A)) by a  
21              covered community (as such term is defined in  
22              paragraph (3) of such section 1361(e)).”.

23      (b) COVERAGE AMOUNT.—Section 1304(b) of the  
24      National Flood Insurance Act of 1968 (42 U.S.C.  
25      4011(b)) is amended—

1           (1) in paragraph (1) (as so designated by sub-  
2           section (a)(3) of this section), by striking the last  
3           sentence (relating to a surcharge); and

4           (2) by adding at the end the following new  
5           paragraph:

6           “(2) COVERAGE AMOUNT.—

7                   “(A) PRIMARY COVERAGE.—Each policy  
8                   for flood insurance coverage made available  
9                   under this title shall provide coverage under  
10                  this subsection having an aggregate liability for  
11                  any single property of \$30,000.

12                  “(B) ENHANCED COVERAGE.—The Admin-  
13                  istrator shall make additional coverage available  
14                  under this subsection, in excess of the limit  
15                  specified in subparagraph (A), having an aggre-  
16                  gate liability for any single property of up to  
17                  \$60,000.”.

18           (c) AMOUNT OF SURCHARGE.—Subsection (b) of sec-  
19           tion 1304 of the National Flood Insurance Act of 1968  
20           (42 U.S.C. 4011(b)), as amended by the preceding provi-  
21           sions of this section, is further amended by adding at the  
22           end the following new paragraph:

23           “(3) SURCHARGE FOR COVERAGE.—

24                   “(A) PRIMARY COVERAGE.—The Adminis-  
25                  trator shall impose a surcharge on each insured

1 of such amount per policy as the Administrator  
2 determines is appropriate to provide cost of  
3 compliance coverage in accordance with para-  
4 graph (2)(A).

5 “(B) ENHANCED COVERAGE.—For each  
6 flood policy for flood insurance coverage under  
7 this title under which additional cost of compli-  
8 ance coverage is provided pursuant to para-  
9 graph (2)(B), the Administrator shall impose a  
10 surcharge, in addition to the surcharge under  
11 subparagraph (A) of this paragraph, in such  
12 amount as the Administrator determines is ap-  
13 propriate for the amount of such coverage pro-  
14 vided.”.

15 (d) USE OF CERTAIN MATERIALS.—Subsection (b) of  
16 section 1304 of the National Flood Insurance Act of 1968  
17 (42 U.S.C. 4011(b)), as amended by the preceding provi-  
18 sions of this section, is further amended by adding at the  
19 end the following new paragraph:

20 “(4) USE OF CERTAIN MATERIALS.—The Ad-  
21 ministrator shall require that any measures imple-  
22 mented using amounts made available from coverage  
23 provided pursuant to this subsection be carried out  
24 using materials, identified by the Administrator,  
25 that minimize the impact of flooding on the usability

1 of the covered property and reduce the duration that  
2 flooding renders the property unusable or uninhabit-  
3 able.”.

4 (e) CONTINUED FLOOD INSURANCE REQUIRE-  
5 MENT.—Subsection (b) of section 1304 of the National  
6 Flood Insurance Act of 1968 (42 U.S.C. 4011(b)), as  
7 amended by the preceding provisions of this section, is fur-  
8 ther amended by adding at the end the following new para-  
9 graph:

10 “(5) CONTINUED FLOOD INSURANCE REQUIRE-  
11 MENT.—The Administrator may require, as a condi-  
12 tion of providing cost of compliance coverage under  
13 this subsection for a property, that the owner of the  
14 property enter into such binding agreements as the  
15 Administrator considers necessary to ensure that the  
16 owner of the property (and any subsequent owners)  
17 will maintain flood insurance coverage under this  
18 title for the property in such amount, and at all  
19 times during a period having such duration, as the  
20 Administrator considers appropriate to carry out the  
21 purposes of this subsection.”.

# 1   **TITLE V—PROGRAM INTEGRITY**

## 2   **SEC. 501. INDEPENDENT ACTUARIAL REVIEW.**

3       Section 1309 of the National Flood Insurance Act of  
4   1968 (42 U.S.C. 4016) is amended by adding at the end  
5   the following new subsection:

6       “(e) INDEPENDENT ACTUARIAL REVIEW.—

7               “(1) FIDUCIARY RESPONSIBILITY.—The Admin-  
8       istrator has a responsibility to ensure that the Na-  
9       tional Flood Insurance Program remains financially  
10      sound. Pursuant to this responsibility, the Adminis-  
11      trator shall from time to time review and eliminate  
12      nonessential costs and positions within the Program,  
13      unless otherwise authorized or required by law, as  
14      the Administrator determines to be necessary.

15              “(2) ANNUAL INDEPENDENT ACTUARIAL  
16      STUDY.—The Administrator shall provide for an  
17      independent actuarial study of the National Flood  
18      Insurance Program to be conducted annually, which  
19      shall analyze the financial position of the program  
20      based on the long-term estimated losses of the pro-  
21      gram. The Administrator shall submit a report (to-  
22      gether with the independent actuarial study) annu-  
23      ally to the Committee on Financial Services of the  
24      House of Representatives and the Committee on  
25      Banking, Housing, and Urban Affairs of the Senate

1 describing the results of such study, including a de-  
2 termination of whether the Program has collected  
3 revenue sufficient to cover the administrative ex-  
4 penses of carrying out the flood insurance program,  
5 which are reflected in the risk premium rates, cost  
6 of capital, all other costs associated with the transfer  
7 of risks, and expected claims payments during the  
8 reporting period, and an overall assessment of the fi-  
9 nancial status of the Program.

10 “(3) DETERMINATION OF ACTUARIAL BUDGET  
11 DEFICIT.—

12 “(A) REQUIREMENT.—Within the report  
13 submitted under paragraph (2), the Adminis-  
14 trator shall issue a determination of whether  
15 there exists an actuarial budget deficit for the  
16 Program for the year covered in the report. The  
17 report shall recommend any changes to the Pro-  
18 gram, if necessary, to ensure that the program  
19 remains financially sound.

20 “(B) BASIS OF DETERMINATION.—The de-  
21 termination required by subparagraph (A) shall  
22 be based solely upon whether the portion of pre-  
23 miums estimated and collected by the Program  
24 during the reporting period is sufficient to cover  
25 the administrative expenses of carrying out the

1 flood insurance program, which are reflected in  
2 the risk premium rates, cost of capital, all other  
3 costs associated with the transfer of risk, and  
4 expected claims payments for the reporting pe-  
5 riod.

6 “(4) QUARTERLY REPORTS.—During each fiscal  
7 year, on a calendar quarterly basis, the Secretary  
8 shall cause to be published in the Federal Register  
9 or comparable method, with notice to the Committee  
10 on Financial Services of the House of Representa-  
11 tives and the Committee on Banking, Housing, and  
12 Urban Affairs of the Senate, information which shall  
13 specify—

14 “(A) the cumulative volume of policies that  
15 have been underwritten under the National  
16 Flood Insurance Program during such fiscal  
17 year through the end of the quarter for which  
18 the report is submitted;

19 “(B) the types of policies insured, cat-  
20 egorized by risk;

21 “(C) any significant changes between ac-  
22 tual and projected claim activity;

23 “(D) projected versus actual loss rates;

24 “(E) the cumulative number of currently  
25 insured repetitive-loss properties, severe repet-

1           itive-loss properties, and extreme repetitive-loss  
 2           properties that have been identified during such  
 3           fiscal year through the end of the quarter for  
 4           which the report is submitted;

5           “(F) the cumulative number of properties  
 6           that have undergone mitigation assistance,  
 7           through the National Flood Insurance Program,  
 8           during such fiscal year through the end of the  
 9           quarter for which the report is submitted; and

10          “(G) the number and location, by State or  
 11          territory, of each policyholder that has been  
 12          identified for such fiscal year as an eligible  
 13          household for purposes of the flood insurance  
 14          affordability program under section 1326.

15          The first quarterly report under this paragraph shall  
 16          be submitted on the last day of the first quarter of  
 17          fiscal year 2018, or on the last day of the first full  
 18          calendar quarter following the enactment of the 21st  
 19          Century Flood Reform Act, whichever occurs later.”.

20   **SEC. 502. ADJUSTMENTS TO HOMEOWNER FLOOD INSUR-**  
 21           **ANCE AFFORDABILITY SURCHARGE.**

22          (a) IN GENERAL.—Section 1308A of the National  
 23          Flood Insurance Act of 1968 (42 U.S.C. 4015a) is amend-  
 24          ed—



1           (1) in subsection (a), by striking the first sen-  
2       tence and inserting the following: “The Adminis-  
3       trator shall impose and collect a non-refundable an-  
4       nual surcharge, in the amount provided in sub-  
5       section (b), on all policies for flood insurance cov-  
6       erage under the National Flood Insurance Program  
7       that are newly issued or renewed after the date of  
8       the enactment of this section.”; and

9           (2) by striking subsection (b) and inserting the  
10      following new subsection:

11      “(b) AMOUNT.—The amount of the surcharge under  
12      subsection (a) shall be \$40, except as follows:

13           “(1) NON-PRIMARY RESIDENCES ELIGIBLE FOR  
14      PRP.—The amount of the surcharge under sub-  
15      section (a) shall be \$125 in the case of in the case  
16      of a policy for any property that is—

17           “(A) a residential property that is not the  
18           primary residence of an individual, and

19           “(B) eligible for preferred risk rate method  
20           premiums.

21           “(2) NON-RESIDENTIAL PROPERTIES AND NON-  
22      PRIMARY RESIDENCES NOT ELIGIBLE FOR PRP.—  
23      The amount of the surcharge under subsection (a)  
24      shall be \$275 in case of in the case of a policy for  
25      any property that is—

1 “(A) a non-residential property; or

2 “(B) a residential property that is—

3 “(i) not the primary residence of an  
4 individual; and

5 “(ii) not eligible for preferred risk  
6 rate method premiums.”.

7 (b) APPLICABILITY.—The amendment made by sub-  
8 section (a) shall apply with respect to policies for flood  
9 insurance coverage under the National Flood Insurance  
10 Act of 1968 that are newly issued or renewed after the  
11 expiration of the 12-month period beginning on the date  
12 of the enactment of this Act.

13 **SEC. 503. NATIONAL FLOOD INSURANCE RESERVE FUND**  
14 **COMPLIANCE.**

15 Section 1310A of the National Flood Insurance Act  
16 of 1968 (42 U.S.C. 4017A) is amended—

17 (1) in subsection (c)(2)(D), by inserting before  
18 the period at the end the following: “, including any  
19 provisions relating to chargeable premium rates or  
20 annual increases of such rates”;

21 (2) in subsection (c)(3), by striking subpara-  
22 graph (A) and inserting the following new subpara-  
23 graph:

24 “(A) PARITY.—In exercising the authority  
25 granted under paragraph (1) to increase pre-

1 miums, the Administrator shall institute a sin-  
2 gle annual, uniform rate of assessment for all  
3 individual policyholders.”; and

4 (3) in subsection (d)—

5 (A) by striking paragraph (1) and insert-  
6 ing the following new paragraph:

7 “(1) IN GENERAL.—Beginning in fiscal year  
8 2018 and not ending until the fiscal year in which  
9 the ratio required under subsection (b) is achieved—

10 “(A) in each fiscal year the Administrator  
11 shall place in the Reserve Fund an amount  
12 equal to not less than 7.5 percent of the reserve  
13 ratio required under subsection (b); and

14 “(B) if in any given fiscal year the Admin-  
15 istrator fails to comply with subparagraph (A),  
16 for the following fiscal year the Administrator  
17 shall increase the rate of the annual assessment  
18 pursuant to subsection (c)(3)(A) by at least one  
19 percentage point over the rate of the annual as-  
20 sessment pursuant to subsection (c)(3)(A) in ef-  
21 fect on the first day of such given fiscal year.”;

22 (B) in paragraph (2), by inserting before  
23 the period at the end the following: “nor to in-  
24 crease assessments pursuant to paragraph  
25 (1)(B)”;

1 (C) in paragraph (3), by inserting before  
 2 the period at the end the following: “and para-  
 3 graph (1)(B) shall apply until the fiscal year in  
 4 which the ratio required under subsection (b) is  
 5 achieved”.

6 **SEC. 504. DESIGNATION AND TREATMENT OF MULTIPLE-**  
 7 **LOSS PROPERTIES.**

8 (a) DEFINITION.—Section 1370 of the National  
 9 Flood Insurance Act of 1968 (42 U.S.C. 4121), as amend-  
 10 ed by the preceding provisions of this Act, is further  
 11 amended—

12 (1) in subsection (a)—

13 (A) by striking paragraph (7); and

14 (B) by redesignating paragraphs (8)  
 15 through (18) as paragraphs (7) through (17),  
 16 respectively; and

17 (2) by adding at the end the following new sub-  
 18 section:

19 “(d) MULTIPLE-LOSS PROPERTIES.—

20 “(1) DEFINITIONS.—As used in this title:

21 “(A) MULTIPLE-LOSS PROPERTY.—The  
 22 term ‘multiple-loss property’ means any prop-  
 23 erty that is a repetitive-loss property, a severe  
 24 repetitive-loss property, or an extreme repet-  
 25 itive-loss property.

1           “(B) QUALIFIED CLAIMS PAYMENT.—The  
2           term ‘qualified claims payment’ means a claims  
3           payment of any amount made under flood in-  
4           surance coverage under this title in connection  
5           with loss resulting from a flood event that oc-  
6           curred after the date of the enactment of the  
7           21st Century Flood Reform Act, but not includ-  
8           ing any claim that occurred before a structure  
9           was made compliant with State and local flood-  
10          plain management requirements.

11          “(C) REPETITIVE-LOSS PROPERTY.—The  
12          term ‘repetitive-loss property’ means a struc-  
13          ture that has incurred flood damage for which  
14          two or more separate claims payments of any  
15          amount have been made under flood insurance  
16          coverage under this title.

17          “(D) SEVERE REPETITIVE-LOSS PROP-  
18          ERTY.—The term ‘severe repetitive-loss prop-  
19          erty’ means a structure that has incurred flood  
20          damage for which—

21                 “(i) 4 or more separate claims pay-  
22                 ments have been made under flood insur-  
23                 ance coverage under this title, with the  
24                 amount of each such claim exceeding  
25                 \$5,000, and with the cumulative amount of

1           such claims payments exceeding \$20,000;  
2           or

3           “(ii) at least 2 separate claims pay-  
4           ments have been made under flood insur-  
5           ance coverage under this title, with the cu-  
6           mulative amount of such claims payments  
7           exceeding the value of the structure.

8           “(E) EXTREME REPETITIVE-LOSS PROP-  
9           PERTY.—The term ‘extreme repetitive-loss prop-  
10          erty’ means a structure that has incurred flood  
11          damage for which at least 2 separate claims  
12          have been made under flood insurance coverage  
13          under this title, with the cumulative amount of  
14          such claims payments exceeding 150 percent of  
15          the maximum coverage amount available for the  
16          structure.

17          “(2) TREATMENT OF CLAIMS BEFORE COMPLI-  
18          ANCE WITH STATE AND LOCAL REQUIREMENTS.—  
19          The Administrator shall not consider claims that oc-  
20          curred before a structure was made compliant with  
21          State and local floodplain management requirements  
22          for purposes of determining a structure’s status as  
23          a multiple-loss property.”.

24          (b) PREMIUM ADJUSTMENT TO REFLECT CURRENT  
25 FLOOD RISK.—

1           (1) IN GENERAL.—Section 1308 of the Na-  
2       tional Flood Insurance Act of 1968 (42 U.S.C.  
3       4015), as amended by the preceding provisions of  
4       this Act, is further amended by adding at the end  
5       the following new subsection:

6       “(p) PREMIUM ADJUSTMENT TO REFLECT CURRENT  
7 FLOOD RISK.—

8           “(1) IN GENERAL.—Except as provided in para-  
9       graph (2), the Administrator shall rate a property  
10      for which two or more qualified claims payments  
11      have been made and that is charged a risk premium  
12      rate estimated under section 1307(a)(1) (42 U.S.C.  
13      4014(a)(1)) based on the current risk of flood re-  
14      flected in the flood insurance rate map in effect at  
15      the time of rating.

16          “(2) ADJUSTMENT FOR EXISTING POLICIES.—  
17      Notwithstanding subsection (e) of this section, for  
18      policies for flood insurance under this title in force  
19      on the date of the enactment of this Act for prop-  
20      erties described in paragraph (1)—

21           “(A) for any property for which two quali-  
22      fied claims payments have been made, the Ad-  
23      ministrator shall increase risk premium rates by  
24      10 percent each year until such rates comply  
25      with paragraph (1) of this subsection; and

1           “(B) for any property for which three or  
 2           more qualified claims payments have been  
 3           made, the Administrator shall increase risk pre-  
 4           mium rates by 15 percent each year until such  
 5           rates comply with paragraph (1) of this sub-  
 6           section.”.

7           (2) CONFORMING AMENDMENT.—Section  
 8           1307(g)(2) of the National Flood Insurance Act of  
 9           1968 (42 U.S.C. 4014(g)(2)) is amended by striking  
 10          subparagraph (B) and inserting the following new  
 11          subparagraph:

12                   “(B) in connection with a multiple-loss  
 13                   property.”.

14          (c) PRE-FIRM MULTIPLE-LOSS PROPERTY.—

15           (1) TERMINATION OF SUBSIDY.—Section 1307  
 16           of the National Flood Insurance Act of 1968 (42  
 17           U.S.C. 4014) is amended—

18                   (A) in subsection (a)(2)—

19                           (i) by striking subparagraph (C) and  
 20                           inserting the following new subparagraph:

21                                   “(C) any extreme repetitive-loss prop-  
 22                                   erty;”;

23                           (ii) in subparagraph (D), by striking  
 24                           “or”;

25                           (iii) in subparagraph (E)—



1 (I) in clause (i), by striking  
2 “fair”; and

3 (II) in clause (ii)—

4 (aa) by striking “fair”; and

5 (bb) by striking “and” and  
6 inserting “or”; and

7 (iv) by adding at the end the following  
8 new subparagraph:

9 “(F) any property for which two or more  
10 qualified claims payments have been made;  
11 and”; and

12 (B) by striking subsection (h).

13 (2) ANNUAL LIMITATION ON PREMIUM IN-  
14 CREASES.—Subsection (e) of section 1308 of the  
15 National Flood Insurance Act of 1968 (42 U.S.C.  
16 4015(e)) is amended—

17 (A) in paragraph (3), by striking “and” at  
18 the end;

19 (B) in paragraph (4)—

20 (i) by striking “the chargeable risk”  
21 and inserting “notwithstanding paragraph  
22 (5), the chargeable risk”; and

23 (ii) by striking “described under para-  
24 graph (3).” and inserting “estimated  
25 under section 1307(a)(1); and”; and

1 (C) by adding at the end the following new  
2 paragraph:

3 “(5) the chargeable risk premium rates for  
4 flood insurance under this title for any properties  
5 described in subparagraph (F) of section 1307(a)(2)  
6 shall be increased—

7 “(A) for any property for which two quali-  
8 fied claims payments have been made, by 10  
9 percent each year, until the average risk pre-  
10 mium rate for such property is equal to the av-  
11 erage of the risk premium rates for properties  
12 estimated under section 1307(a)(1); and

13 “(B) for any property for which three or  
14 more qualified claims payments have been  
15 made, by 15 percent each year, until the aver-  
16 age risk premium rate for such property is  
17 equal to the average of the risk premium rates  
18 for properties estimated under section  
19 1307(a)(1).”.

20 (d) MINIMUM DEDUCTIBLES FOR CERTAIN MUL-  
21 TIPLE-LOSS PROPERTIES.—

22 (1) CLERICAL AMENDMENT.—The National  
23 Flood Insurance Act of 1968, as amended by the  
24 preceding provisions of this Act, is further amend-  
25 ed—

1 (A) by transferring subsection (b) of sec-  
2 tion 1312 (42 U.S.C. 4019(b)) to section 1306  
3 (42 U.S.C. 4013), inserting such subsection at  
4 the end of such section, and redesignating such  
5 subsection as subsection (f); and

6 (B) in section 1312 (42 U.S.C. 4019), by  
7 redesignating subsection (c) as subsection (b).

8 (2) CERTAIN MULTIPLE-LOSS PROPERTIES.—  
9 Subsection (f) of section 1306 of the National Flood  
10 Insurance Act of 1968 (42 U.S.C. 4013(e)), as so  
11 transferred and redesignated by paragraph (1) of  
12 this subsection, is amended adding at the end the  
13 following new paragraph:

14 “(3) CERTAIN MULTIPLE-LOSS PROPERTIES.—  
15 Notwithstanding paragraph (1) or (2), the minimum  
16 annual deductible for damage to any severe repet-  
17 itive-loss property or extreme repetitive-loss property  
18 shall be not less than \$5,000.”.

19 (e) CLAIM HISTORY VALIDATION.—Beginning not  
20 later than the expiration of the 180-day period beginning  
21 on the date of the enactment of this Act, the Adminis-  
22 trator of the Federal Emergency Management Agency  
23 shall undertake efforts to validate the reasonable accuracy  
24 of claim history data maintained pursuant to the National  
25 Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.).

1 (f) INCREASED COST OF COMPLIANCE COVERAGE.—  
 2 Subparagraph (A) of section 1304(b)(1) of the National  
 3 Flood Insurance Act of 1968 (42 U.S.C. 4011(b)(1)(A)),  
 4 as amended by the preceding provisions of this Act, is fur-  
 5 ther amended by striking “repetitive loss structures” and  
 6 inserting “multiple-loss properties”.

7 (g) AVAILABILITY OF INSURANCE FOR MULTIPLE-  
 8 LOSS PROPERTIES.—

9 (1) IN GENERAL.—The National Flood Insur-  
 10 ance Act of 1968 is amended by inserting after sec-  
 11 tion 1304 (42 U.S.C. 4011) the following new sec-  
 12 tion:

13 **“SEC. 1304A. AVAILABILITY OF INSURANCE FOR MULTIPLE-**  
 14 **LOSS PROPERTIES.**

15 “(a) DATE AND INFORMATION IDENTIFYING CUR-  
 16 RENT FLOOD RISK.—The Administrator may provide  
 17 flood insurance coverage under this title for a multiple-  
 18 loss property only if the owner of the property submits  
 19 to the Administrator such data and information necessary  
 20 to determine such property’s current risk of flood, as de-  
 21 termined by the Administrator, at the time of application  
 22 for or renewal of such coverage.

23 “(b) REFUSAL TO MITIGATE.—

24 “(1) IN GENERAL.—Except as provided pursu-  
 25 ant to paragraph (2), the Administrator may not

1 make flood insurance coverage available under this  
2 title for any extreme repetitive-loss property for  
3 which a claim payment for flood loss was made  
4 under coverage made available under this title that  
5 occurred after the date of enactment of the 21st  
6 Century Flood Reform Act if the property owner re-  
7 fuses an offer of mitigation for the property under  
8 section 1366(a)(2) (42 U.S.C. 4104e(a)(2)).

9 “(2) EXCEPTIONS; APPEALS.—The Director  
10 shall develop guidance to provide appropriate excep-  
11 tions to the prohibition under paragraph (1) and to  
12 allow for appeals to such prohibition.”.

13 (2) EFFECTIVE DATE.—Section 1304A of the  
14 National Flood Insurance Act of 1968, as added by  
15 paragraph (1) of this subsection, shall apply begin-  
16 ning upon the expiration of the 12-month period be-  
17 ginning on the date of the enactment of this Act.

18 (h) RATES FOR PROPERTIES NEWLY MAPPED INTO  
19 AREAS WITH SPECIAL FLOOD HAZARDS.—Subsection (i)  
20 of section 1308 of the National Flood Insurance Act of  
21 1968 (42 U.S.C. 4015(i)) is amended—

22 (1) by striking the subsection designation and  
23 all that follows through “Notwithstanding” and in-  
24 serting the following:

1       “(i) RATES FOR PROPERTIES NEWLY MAPPED INTO  
2 AREAS WITH SPECIAL FLOOD HAZARDS.—

3               “(1) IN GENERAL.—Except as provided in para-  
4 graph (2) and notwithstanding”;

5               (2) by redesignating paragraphs (1) and (2) as  
6 subparagraphs (A) and (B), respectively, and mov-  
7 ing the left margins of such subparagraphs, as so re-  
8 designated, and the matter following subparagraph  
9 (B), 2 ems to the right; and

10              (3) by adding at the end the following new  
11 paragraph:

12               “(2) INAPPLICABILITY TO MULTIPLE-LOSS  
13 PROPERTIES.—Paragraph (1) shall not apply to  
14 multiple-loss properties.”.

15       (i) CLEAR COMMUNICATION OF MULTIPLE-LOSS  
16 PROPERTY STATUS.—

17              (1) IN GENERAL.—Subsection (l) of section  
18 1308 of the National Flood Insurance Act of 1968  
19 (42 U.S.C. 4015(l)), as amended by the preceding  
20 provisions of this Act, is further amended by adding  
21 at the end the following new paragraph:

22               “(2) MULTIPLE-LOSS PROPERTIES.—Pursuant  
23 to paragraph (1), the Administrator shall clearly  
24 communicate to all policyholders for multiple-loss  
25 properties before the effectiveness of any such new

1 or renewed coverage and after each qualified claims  
2 payment for the property—

3 “(A) the availability of flood mitigation as-  
4 sistance under section 1366; and

5 “(B) the effect on the premium rates  
6 charged for such a property of filing any fur-  
7 ther claims under a flood insurance policy with  
8 respect to that property.”.

9 (j) MITIGATION ASSISTANCE PROGRAM.—Section  
10 1366 of the National Flood Insurance Act of 1968 (42  
11 U.S.C. 4104c) is amended—

12 (1) in subsection (a)—

13 (A) in the matter preceding paragraph (1),  
14 by inserting after the period at the end of the  
15 first sentence the following: “Priority under the  
16 program shall be given to providing assistance  
17 with respect to multiple-loss properties.”;

18 (B) in paragraph (1), by inserting “and”  
19 after the semicolon at the end; and

20 (C) by striking paragraphs (2) and (3) and  
21 inserting the following:

22 “(2) to property owners, in coordination with  
23 the State and community, in the form of direct  
24 grants under this section for carrying out mitigation

1 activities that reduce flood damage to extreme repet-  
 2 itive-loss properties.

3 The Administrator shall take such actions as may be nec-  
 4 essary to ensure that grants under this subsection are pro-  
 5 vided in a manner that is consistent with the delivery of  
 6 coverage for increased cost of compliance provided under  
 7 section 1304(b).”;

8 (2) in subsection (c)(2)(A)(ii), by striking “se-  
 9 vere repetitive loss structures” and inserting “mul-  
 10 tiple-loss properties”;

11 (3) in subsection (d)—

12 (A) in paragraph (1)—

13 (i) by striking “SEVERE REPETITIVE  
 14 LOSS STRUCTURES” and inserting “EX-  
 15 TREME REPETITIVE-LOSS PROPERTIES”;  
 16 and

17 (ii) by striking “severe repetitive loss  
 18 structures” and inserting “extreme repet-  
 19 itive-loss properties”;

20 (B) in paragraph (2)—

21 (i) by striking “REPETITIVE LOSS  
 22 STRUCTURES” and inserting “SEVERE RE-  
 23 PETITIVE-LOSS PROPERTIES”;



1 (ii) by striking “repetitive loss struc-  
2 tures” and inserting “severe repetitive-loss  
3 properties”; and

4 (iii) by striking “90 percent” and in-  
5 serting “100 percent”;

6 (C) by redesignating paragraph (3) as  
7 paragraph (4); and

8 (D) by inserting after paragraph (2) the  
9 following new paragraph:

10 “(3) REPETITIVE-LOSS PROPERTY.—In the case  
11 of mitigation activities to repetitive-loss properties,  
12 in an amount up to 100 percent of all eligible  
13 costs.”;

14 (4) in subsection (h)—

15 (A) by striking paragraphs (2) and (3);

16 (B) by striking the subsection designation  
17 and all that follows through “shall apply.”; and

18 (C) in paragraph (1)—

19 (i) by striking “COMMUNITY” and in-  
20 serting “DEFINITION OF COMMUNITY”;

21 (ii) by striking “The” and inserting  
22 “For purposes of this section, the”;

23 (iii) by redesignating such paragraph  
24 as subsection (j);

1 (iv) in subparagraph (B), by striking  
2 “subparagraph (A)” and inserting “para-  
3 graph (1)”;

4 (v) by redesignating subparagraphs  
5 (A) and (B) as paragraphs (1) and (2), re-  
6 spectively;

7 (vi) in paragraph (1), as so redesign-  
8 nated by clause (v) of this subparagraph,  
9 by redesignating clauses (i) and (ii) as sub-  
10 paragraphs (A) and (B), respectively (and  
11 moving the margins two ems to the left);  
12 and

13 (vii) by moving the left margins of  
14 subsection (j) (as so redesignated) and  
15 paragraphs (1) and (2), all as so redesign-  
16 nated, two ems to the left; and

17 (5) by inserting after subsection (g) the fol-  
18 lowing new subsections:

19 “(h) ALIGNMENT WITH INCREASED COST OF COM-  
20 PLIANCE.—Notwithstanding any provision of law, any  
21 funds appropriated for assistance under this title may be  
22 transferred to the National Flood Insurance Fund estab-  
23 lished under section 1310 (42 U.S.C. 4017) for the pay-  
24 ment of claims to enable the Administrator to deliver  
25 grants under subsection (a)(2) of this section to align with

1 the delivery of coverage for increased cost of compliance  
2 for extreme repetitive-loss properties.

3 “(i) FUNDING.—

4 “(1) AUTHORIZATION OF APPROPRIATIONS.—

5 Notwithstanding any other provision of law, assist-  
6 ance provided under this section shall be funded  
7 by—

8 “(A) \$225,000,000 in each fiscal year,  
9 subject to offsetting collections, through risk  
10 premium rates for flood insurance coverage  
11 under this title, and shall be available subject to  
12 section 1310(f);

13 “(B) any penalties collected under section  
14 102(f) the Flood Disaster Protect Act of 1973  
15 (42 U.S.C. 4012a(f); and

16 “(C) any amounts recaptured under sub-  
17 section (e) of this section.

18 The Administrator may not use more than 5 percent  
19 of amounts made available under this subsection to  
20 cover salaries, expenses, and other administrative  
21 costs incurred by the Administrator to make grants  
22 and provide assistance under this section.

23 “(2) AVAILABILITY.—Amounts appropriated  
24 pursuant to this subsection for any fiscal year may  
25 remain available for obligation until expended.”.

1 (k) REPEAL.—Section 1367 of the National Flood  
2 Insurance Act of 1968 (42 U.S.C. 4104d) is repealed.

3 **SEC. 505. ELIMINATION OF COVERAGE FOR PROPERTIES**  
4 **WITH EXCESSIVE LIFETIME CLAIMS.**

5 Section 1305 of the National Flood Insurance Act of  
6 1968 (42 U.S.C. 4012) is amended by adding at the end  
7 the following new subsection:

8 “(e) PROHIBITION OF COVERAGE FOR PROPERTIES  
9 WITH EXCESSIVE LIFETIME CLAIMS.—The Administrator  
10 may not make available any new or renewed coverage for  
11 flood insurance under this title for any multiple-loss prop-  
12 erty for which the aggregate amount in claims payments  
13 that have been made after the expiration of the 18-month  
14 period beginning on the date of the enactment of this sub-  
15 section under flood insurance coverage under this title ex-  
16 ceeds three times the amount of the replacement value of  
17 the structure.”.

18 **SEC. 506. PAY FOR PERFORMANCE AND STREAMLINING**  
19 **COSTS AND REIMBURSEMENT.**

20 Section 1345 of the National Flood Insurance Act of  
21 1968 (42 U.S.C. 4081), as amended by the preceding pro-  
22 visions of this Act, is further amended by adding at the  
23 end the following subsection:

24 “(g) WRITE YOUR OWN ALLOWANCE AND PROGRAM  
25 SAVINGS.—

1 “(1) ALLOWANCE RATE.—

2 “(A) LIMITATION.—The allowance paid to  
3 companies participating in the Write Your Own  
4 Program (as such term is defined in section  
5 1370 (42 U.S.C. 4004)) with respect to a policy  
6 for flood insurance coverage made available  
7 under this title shall not be greater than 27.9  
8 percent of the chargeable premium for such  
9 coverage.

10 “(B) INAPPLICABILITY.—Subparagraph  
11 (A) shall not apply to actual and necessary  
12 costs related to section 1312(a) (42 U.S.C.  
13 4019(a)), or to payments deemed necessary by  
14 the Administrator.

15 “(C) IMPLEMENTATION.—The limitation in  
16 subparagraph (A) shall be imposed by equal re-  
17 ductions over the 3-year period beginning on  
18 the date of the enactment of this subsection.

19 “(2) PROGRAM SAVINGS.—

20 “(A) IMPLEMENTATION.—The Adminis-  
21 trator, within three years of the date of the en-  
22 actment of this Act, shall reduce the costs and  
23 unnecessary burdens for the companies partici-  
24 pating in the Write Your Own program by at  
25 least half of the amount by which the limitation

1 under paragraph (1)(A) reduced costs compared  
2 to the costs as of the date of the enactment of  
3 this subsection.

4 “(B) CONSIDERATION OF SAVINGS.—In  
5 meeting the requirement of subparagraph (A),  
6 the Administrator shall consider savings includ-  
7 ing—

8 “(i) indirect payments by the Admin-  
9 istrator of premium;

10 “(ii) eliminating unnecessary commu-  
11 nications requirements;

12 “(iii) reducing the frequency of Na-  
13 tional Flood Insurance Program changes;

14 “(iv) simplifying the flood rating sys-  
15 tem; and

16 “(v) other ways of streamlining the  
17 Program to reduce costs while maintaining  
18 customer service and distribution.”.

19 **SEC. 507. ENFORCEMENT OF MANDATORY PURCHASE RE-**  
20 **QUIREMENTS.**

21 (a) PENALTIES.—Paragraph (5) of section 102(f) of  
22 the Flood Disaster Protection Act of 1973 (42 U.S.C.  
23 4012a(f)(5)) is amended by striking “\$2,000” and insert-  
24 ing “\$5,000”.

1 (b) INSURED DEPOSITORY INSTITUTIONS.—Subpara-  
2 graph (A) of section 10(i)(2) of the Federal Deposit Insur-  
3 ance Act (12 U.S.C. 1820(i)(2)(A)) is amended by strik-  
4 ing “date of enactment of the Riegle Community Develop-  
5 ment and Regulatory Improvement Act of 1994 and bien-  
6 nially thereafter for the next 4 years” and inserting “date  
7 of enactment of the 21st Century Flood Reform Act and  
8 biennially thereafter”.

9 (c) CREDIT UNIONS.—Subparagraph (A) of section  
10 204(e)(2) of the Federal Credit Union Act (12 U.S.C.  
11 1784(e)(2)(A)) is amended by striking “date of enactment  
12 of the Riegle Community Development and Regulatory  
13 Improvement Act of 1994 and biennially thereafter for the  
14 next 4 years” and inserting “date of enactment of the 21st  
15 Century Flood Reform Act and annually thereafter”.

16 (d) GOVERNMENT-SPONSORED ENTERPRISES.—  
17 Paragraph (4) of section 1319B(a) of the Federal Hous-  
18 ing Enterprises Financial Safety and Soundness Act of  
19 1992 (12 U.S.C. 4521(a)(4)) is amended, in the matter  
20 after and below subparagraph (B), by striking “first,  
21 third, and fifth annual reports under this subsection re-  
22 quired to be submitted after the expiration of the 1-year  
23 period beginning on the date of enactment of the Riegle  
24 Community Development and Regulatory Improvement  
25 Act of 1994” and inserting “first annual report under this

1 subsection required to be submitted after the expiration  
 2 of the 1-year period beginning on the date of enactment  
 3 of the 21st Century Flood Reform Act and every such sec-  
 4 ond annual report thereafter”.

5 (e) GUIDELINES.—The Federal entities for lending  
 6 regulation (as such term is defined in section 3(a) of the  
 7 Flood Disaster Protection Act of 1973 (42 U.S.C.  
 8 4003(a))), in consultation with the Administrator of the  
 9 Federal Emergency Management Agency, shall jointly up-  
 10 date and reissue the rescinded document of the Adminis-  
 11 trator entitled “Mandatory Purchase of Flood Insurance  
 12 Guidelines” (lasted updated on October 29, 2014). The  
 13 updated document shall incorporate recommendations  
 14 made by the Comptroller General pursuant to the study  
 15 conducted under section 514 of this Act.

16 **SEC. 508. SATISFACTION OF MANDATORY PURCHASE RE-**  
 17 **QUIREMENT IN STATES ALLOWING ALL-PER-**  
 18 **ILS POLICIES.**

19 Section 102 of the Flood Disaster Protection Act of  
 20 1973 (42 U.S.C. 4012a), as amended by the preceding  
 21 provisions of this Act, is further amended—

22 (1) in subsection (a), by striking “After” and  
 23 inserting “Subject to subsection (i) of this section,  
 24 after”;

25 (2) in subsection (b)—



1 (A) in paragraph (1), by striking “Each”  
 2 and inserting “Subject to subsection (i) of this  
 3 section, each”;

4 (B) in paragraph (2)—

5 (i) in subparagraph (A), by striking  
 6 “A” the first place such term appears and  
 7 inserting “Subject to subsection (i) of this  
 8 section, a”;

9 (ii) in subparagraph (B), by striking  
 10 “Each” and inserting “Subject to sub-  
 11 section (i) of this section, each”; and

12 (C) in paragraph (3), by striking “The”  
 13 the first place such term appears and inserting  
 14 “Subject to subsection (i) of this section, the”;  
 15 (3) in subsection (e)(1), by striking “If” and  
 16 inserting “Subject to subsection (i) of this section,  
 17 if”; and

18 (4) by adding at the end the following new sub-  
 19 section:

20 “(i) SATISFACTION OF MANDATORY PURCHASE RE-  
 21 QUIREMENT IN STATES ALLOWING ALL-PERILS POLI-  
 22 CIES.—

23 “(1) WAIVERS.—Subsections (a) and (b) of this  
 24 section shall not apply with respect to residential  
 25 properties in any State that allows any property in-

1       surance coverage that covers ‘all-perils’ except spe-  
 2       cifically excluded perils and that includes coverage  
 3       for flood perils in an amount at least equal to the  
 4       outstanding principal balance of the loan or the  
 5       maximum limit of flood insurance coverage made  
 6       available under this title with respect to such type  
 7       of residential property, whichever is less.

8               “(2) DEFINITIONS, PROCEDURES, STAND-  
 9       ARDS.—The Administrator may establish such defi-  
 10      nitions, procedures, and standards as the Adminis-  
 11      trator considers necessary for making determina-  
 12      tions under paragraph (1).”.

13   **SEC. 509. FLOOD INSURANCE PURCHASE REQUIREMENTS.**

14       Section 102 of the Flood Disaster Protection Act of  
 15   1973 (42 U.S.C. 4012a), as amended by the preceding  
 16   provisions of this Act, is further amended—

17           (1) in subsection (c)(2)(A), by striking “\$5,000  
 18       or less” and inserting the following: “\$25,000 or  
 19       less, except that such amount (as it may have been  
 20       previously adjusted) shall be adjusted for inflation  
 21       by the Administrator upon the expiration of the 5-  
 22       year period beginning upon the enactment of the  
 23       21st Century Flood Reform Act and upon the expi-  
 24       ration of each successive 5-year period thereafter, in

1 accordance with an inflationary index selected by the  
 2 Administrator”; and

3 (2) by adding at the end the following new sub-  
 4 section:

5 “(j) FLOOD INSURANCE PURCHASE REQUIRE-  
 6 MENTS.—Notwithstanding any other provision of law, a  
 7 State or local government or private lender may require  
 8 the purchase of flood insurance coverage for a structure  
 9 that is located outside of an area having special flood haz-  
 10 ards.”.

11 **SEC. 510. CLARIFICATIONS; DEADLINE FOR APPROVAL OF**  
 12 **CLAIMS.**

13 (a) RULE OF CONSTRUCTION.—Part C of chapter II  
 14 of the National Flood Insurance Act of 1968 (42 U.S.C.  
 15 4081 et seq.), as amended by the preceding provisions of  
 16 this Act, is further amended by adding at the end the fol-  
 17 lowing new section:

18 **“SEC. 1350. RULE OF CONSTRUCTION.**

19 “A policyholder of a policy for flood insurance cov-  
 20 erage made available under this title must exhaust all ad-  
 21 ministrative remedies, including submission of disputed  
 22 claims to appeal under any appeal process made available  
 23 by the Administrator, prior to commencing legal action on  
 24 any disputed claim under such a policy.”.

25 (b) DEADLINE FOR APPROVAL OF CLAIMS.—

1           (1) IN GENERAL.—Section 1312 of the Na-  
2           tional Flood Insurance Act of 1968 (42 U.S.C.  
3           4019), as amended by the preceding provisions of  
4           this Act, is further amended—

5                   (A) in subsection (a), by striking “The Ad-  
6           ministrator” and inserting “Subject to the  
7           other provisions of this section, the Adminis-  
8           trator”; and

9                   (B) by adding at the end the following new  
10          subsection:

11       “(c) DEADLINE FOR APPROVAL OF CLAIMS.—

12               “(1) IN GENERAL.—The Administrator shall  
13           provide that, in the case of any claim for damage to  
14           or loss of property under flood insurance coverage  
15           made available under this title, an initial determina-  
16           tion regarding approval of a claim for payment or  
17           disapproval of the claim be made, and notification of  
18           such determination be provided to the insured mak-  
19           ing such claim, not later than the expiration of the  
20           120-day period (as such period may be extended  
21           pursuant to paragraph (2)) beginning upon the day  
22           on which the policyholder submits a signed proof of  
23           loss detailing the damage and amount of the loss.  
24           Payment of approved claims shall be made as soon  
25           as possible after such approval.

1           “(2) EXTENSION OF DEADLINE.—The Adminis-  
 2           trator shall provide that the period referred to in  
 3           paragraph (1) may be extended by a single addi-  
 4           tional period of 15 days in cases where extraordinary  
 5           circumstances are demonstrated. The Administrator  
 6           shall, by regulation, establish criteria for dem-  
 7           onstrating such extraordinary circumstances and for  
 8           determining to which claims such extraordinary cir-  
 9           cumstances apply.”.

10           (2) APPLICABILITY.—The amendments made  
 11           by paragraph (1) shall apply to any claim under  
 12           flood insurance coverage made available under the  
 13           National Flood Insurance Act of 1968 (42 U.S.C.  
 14           4001 et seq.) pending on the date of the enactment  
 15           of this Act and any claims made after such date of  
 16           enactment.

17 **SEC. 511. RISK TRANSFER REQUIREMENT.**

18           Subsection (e) of section 1345 of the National Flood  
 19           Insurance Act of 1968 (42 U.S.C. 4081(e)) is amended—

20           (1) by striking “(e) RISK TRANSFER.—The Ad-  
 21           ministrator” and inserting the following:

22           “(e) RISK TRANSFER.—

23           “(1) AUTHORITY.—The Administrator”; and

24           (2) by adding at the end the following new  
 25           paragraph:

1 “(2) REQUIRED RISK TRANSFER COVERAGE.—

2 “(A) REQUIREMENT.—Not later than the  
3 expiration of the 18-month period beginning  
4 upon the date of the enactment of this para-  
5 graph and at all times thereafter, the Adminis-  
6 trator shall annually cede a portion of the risk  
7 of the flood insurance program under this title  
8 to the private reinsurance or capital markets, or  
9 any combination thereof, and at rates and  
10 terms that the Administrator determines to be  
11 reasonable and appropriate, in an amount  
12 that—

13 “(i) is sufficient to maintain the abil-  
14 ity of the program to pay claims; and

15 “(ii) manages and limits the annual  
16 exposure of the flood insurance program to  
17 flood losses in accordance with the prob-  
18 able maximum loss target established for  
19 such year under subparagraph (B).

20 “(B) PROBABLE MAXIMUM LOSS TAR-  
21 GET.—The Administrator shall for each fiscal  
22 year, establish a probable maximum loss target  
23 for the national flood insurance program that  
24 shall be the maximum probable loss under the

1 national flood insurance program that is ex-  
2 pected to occur in such fiscal year.

3 “(C) CONSIDERATIONS.—In establishing  
4 the probable maximum loss target under sub-  
5 paragraph (B) for each fiscal year and carrying  
6 out subparagraph (A), the Administrator shall  
7 consider—

8 “(i) the probable maximum loss tar-  
9 gets for other United States public natural  
10 catastrophe insurance programs, including  
11 as State wind pools and earthquake pro-  
12 grams;

13 “(ii) the probable maximum loss tar-  
14 gets of other risk management organiza-  
15 tions, including the Federal National Mort-  
16 gage Association and the Federal Home  
17 Loan Mortgage Corporation;

18 “(iii) catastrophic, actuarial, and  
19 other appropriate data modeling results of  
20 the national flood insurance program port-  
21 folio;

22 “(iv) the availability of funds in the  
23 National Flood Insurance Fund established  
24 under section 1310 (42 U.S.C. 4017);

1 “(v) the availability of funds in the  
2 National Flood Insurance Reserve Fund  
3 established under section 1310A (42  
4 U.S.C. 4017a);

5 “(vi) the availability of borrowing au-  
6 thority under section 1309 (42 U.S.C.  
7 4016);

8 “(vii) the ability of the Administrator  
9 to repay outstanding debt;

10 “(viii) amounts appropriated to the  
11 Administrator to carry out the national  
12 flood insurance program;

13 “(ix) reinsurance, capital markets, ca-  
14 tastrophe bonds, collateralized reinsurance,  
15 resilience bonds, and other insurance-  
16 linked securities, and other risk transfer  
17 opportunities; and

18 “(x) any other factor the Adminis-  
19 trator determines appropriate.

20 “(D) MULTI-YEAR CONTRACTS.—Nothing  
21 in this paragraph may be construed to prevent  
22 or prohibit the Administrator from complying  
23 with the requirement under subparagraph (A)  
24 regarding ceding risk through contracts having  
25 a duration longer than one year.”.



1 **SEC. 512. GAO STUDY OF SIMPLIFICATION OF NATIONAL**  
2 **FLOOD INSURANCE PROGRAM.**

3 (a) STUDY.—The Comptroller General of the United  
4 States shall conduct a study of options for simplifying  
5 flood insurance coverage made available under the Na-  
6 tional Flood Insurance Act, which shall include the fol-  
7 lowing:

8 (1) An analysis of how the administration of  
9 the National Flood Insurance Program can be sim-  
10 plified—statutorily, regulatorily, and administra-  
11 tively—for private flood insurance policyholders,  
12 companies, agents, mortgage lenders, and flood in-  
13 surance vendors.

14 (2) An assessment of ways in which flood insur-  
15 ance coverage made available under the National  
16 Flood Insurance Act and the program for providing  
17 and administering such coverage may be har-  
18 monized with private insurance industry standards.

19 (3) Identification and analysis of ways in which  
20 the structure of the National Flood Insurance Pro-  
21 gram may be simplified, including analysis of the ef-  
22 ficacy and effects each of the following actions:

23 (A) Eliminating the use of two deductibles  
24 under the Program.

1 (B) Including in claims for flood-damages  
2 full replacement cost for property not damaged,  
3 but rendered unusable, by the flooding.

4 (C) Using umbrella policies that allow mul-  
5 tiple structures on a property to be insured  
6 under the same policy.

7 (b) REPORT.—Not later than the expiration of the  
8 18-month period beginning on the date of the enactment  
9 of this Act, the Comptroller General shall submit a report  
10 to the Committee on Financial Services of the House of  
11 Representatives and the Committee on Banking, Housing,  
12 and Urban Affairs of the Senate regarding the findings  
13 and conclusions of the study conducted pursuant to this  
14 section.

15 **SEC. 513. GAO STUDY ON ENFORCEMENT OF MANDATORY**  
16 **PURCHASE REQUIREMENTS.**

17 (a) IN GENERAL.—The Comptroller General of the  
18 United States shall conduct a study of the implementation  
19 and efficacy of the requirements of section 102 of the  
20 Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a).  
21 Such study shall at minimum consider the following ques-  
22 tions:

23 (1) How effectively do Federal agencies, regu-  
24 lated lending institutions, and Federal entities for  
25 lending regulation implement the requirements of

1 section 102 of the Flood Disaster Protection Act of  
2 1973?

3 (2) Does the current implementation of Flood  
4 Disaster Protection Act of 1973 align with the con-  
5 gressional findings and purposes described in section  
6 2(b) of such Act (42 U.S.C. 4002)?

7 (3) What is the current level of compliance with  
8 section 102?

9 (4) What are the estimated historical impacts  
10 on revenue to the National Flood Insurance Pro-  
11 gram based on the current level of compliance of  
12 section 102?

13 (5) Is the current monitoring and tracking  
14 framework in place sufficient to ensure compliance  
15 with section 102?

16 (6) What is the best way to establish a consoli-  
17 dated, comprehensive, and accurate repository of  
18 data on compliance with section 102?

19 (7) What, if any, unintended consequences have  
20 resulted from the requirements and implementation  
21 of section 102?

22 (8) How can Federal agencies and regulated  
23 lending institutions improve compliance with section  
24 102?

1 (b) REPORT.—Not later than the expiration of the  
2 18-month period beginning on the date of the enactment  
3 of this Act, the Comptroller General shall submit a report  
4 to the Committee on Financial Services of the House of  
5 Representatives and the Committee on Banking, Housing,  
6 and Urban Affairs of the Senate regarding the findings  
7 and conclusions of the study conducted pursuant to this  
8 section.

9 **TITLE VI—ADMINISTRATIVE**  
10 **REFORMS**

11 **SEC. 601. PENALTIES FOR FRAUD AND FALSE STATEMENTS**  
12 **IN THE NATIONAL FLOOD INSURANCE PRO-**  
13 **GRAM.**

14 Part C of chapter 2 of the National Flood Insurance  
15 Act of 1968 (42 U.S.C. 4081 et seq.), as amended by the  
16 preceding provisions of this Act, is further amended by  
17 adding at the end the following new section:

18 **“SEC. 1351. PENALTIES FOR FRAUD AND FALSE STATE-**  
19 **MENTS IN THE NATIONAL FLOOD INSURANCE**  
20 **PROGRAM.**

21 “(a) PROHIBITED ACTS.—A person shall not know-  
22 ingly make a false or misleading statement, production,  
23 or submission in connection with the proving or adjusting  
24 of a claim for flood insurance coverage made available  
25 under this Act. Such prohibited acts include—

1           “(1) knowingly forging an engineering report,  
2           claims adjustment report or technical assistance re-  
3           port used to support a claim determination;

4           “(2) knowingly making any materially false, fic-  
5           titious, or fraudulent statement or representation in  
6           an engineering report, claims adjustment report, or  
7           technical assistance report to support a claim deter-  
8           mination;

9           “(3) knowingly submitting a materially false,  
10          fictitious, or fraudulent claim.

11          “(b) CIVIL ENFORCEMENT.—The Attorney General  
12          may bring a civil action for such relief as may be appro-  
13          priate whenever it appears that any person has violated  
14          or is about to violate any provision of this section. Such  
15          action may be brought in an appropriate United States  
16          district court.

17          “(c) REFERRAL TO ATTORNEY GENERAL.—The Ad-  
18          ministrators shall expeditiously refer to the Attorney Gen-  
19          eral for appropriate action any evidence developed in the  
20          performance of functions under this Act that may warrant  
21          consideration for criminal or civil prosecution.

22          “(d) PENALTIES.—

23                 “(1) CIVIL MONETARY PENALTY.—Any person  
24                 who violates subsection (a) shall be subject to a civil  
25                 penalty of not more than \$10,000 for each violation,

1 which shall be deposited into the National Flood In-  
2 surance Fund established under section 1310 (42  
3 U.S.C. 4017).

4 “(2) SUSPENSION AND DEBARMENT.—Any per-  
5 son who violates subsection (a) shall not be eligible,  
6 for a period of not less than 2 years and not to ex-  
7 ceed 5 years, to—

8 “(A) receive flood insurance coverage pur-  
9 suant to this title; or

10 “(B) provide services in connection with  
11 the selling, servicing, or handling of claims for  
12 flood insurance policies provided pursuant to  
13 this title.

14 “(3) OTHER PENALTIES.—The penalties pro-  
15 vided for in this subsection shall be in addition to  
16 any other civil or criminal penalty available under  
17 law.”.

18 **SEC. 602. ENHANCED POLICYHOLDER APPEALS PROCESS**  
19 **RIGHTS.**

20 (a) ESTABLISHMENT.—Part C of chapter II of the  
21 National Flood Insurance Act of 1968 (42 U.S.C. 4081  
22 et seq.), as amended by the preceding provisions of this  
23 Act, is further amended by adding at the end the following  
24 new section:

1   **“SEC. 1352. APPROVAL OF DECISIONS RELATING TO FLOOD**  
2                   **INSURANCE COVERAGE.**

3           “(a) IN GENERAL.—The Administrator shall estab-  
4   lish an appeals process to enable holders of a flood insur-  
5   ance policy provided under this title to appeal the decisions  
6   of their insurer, with respect to the disallowance, in whole  
7   or in part, of any claims for proved and approved losses  
8   covered by flood insurance. Such appeals shall be limited  
9   to the claim or portion of the claim disallowed by the in-  
10  surer.

11          “(b) APPEAL DECISION.—Upon a decision in an ap-  
12  peal under subsection (a), the Administrator shall provide  
13  the policyholder with a written appeal decision. The appeal  
14  decision shall explain the Administrator’s determination to  
15  uphold or overturn the decision of the flood insurer. The  
16  Administrator may direct the flood insurer to take action  
17  necessary to resolve the appeal, to include re-inspection,  
18  re-adjustment, or payment, as appropriate.

19          “(c) RULES OF CONSTRUCTION.—This section shall  
20  not be construed as—

21               “(1) making the Federal Emergency Manage-  
22           ment Agency or the Administrator a party to the  
23           flood insurance contract; or

24               “(2) creating any action or remedy not other-  
25           wise provided by this title.”.

1 (b) REPEAL.—Section 205 of the Bunning-Blu-  
2 menauer-Bereuter Flood Insurance Reform Act of 2004  
3 (42 U.S.C. 4011 note) is hereby repealed.

4 **SEC. 603. DEADLINE FOR APPROVAL OF CLAIMS.**

5 (a) IN GENERAL.—Section 1312 of the National  
6 Flood Insurance Act of 1968 (42 U.S.C. 4019), as amend-  
7 ed by the preceding provisions of this Act, is further  
8 amended by adding at the end the following new sub-  
9 section:

10 “(d) DEADLINE FOR APPROVAL OF CLAIMS.—

11 “(1) IN GENERAL.—The Administrator shall  
12 provide that, in the case of any claim for damage to  
13 or loss of property under flood insurance coverage  
14 made available under this title, a final determination  
15 regarding approval of a claim for payment or dis-  
16 approval of the claim be made, and notification of  
17 such determination be provided to the insured mak-  
18 ing such claim, not later than the expiration of the  
19 90-day period (as such period may be extended pur-  
20 suant to paragraph (2)) beginning upon the day on  
21 which such claim was made. Payment of approved  
22 claims shall be made as soon as possible after such  
23 approval.

24 “(2) EXTENSION OF DEADLINE.—The Adminis-  
25 trator shall provide that the period referred to in



1 paragraph (1) may be extended by a single addi-  
2 tional period of 15 days in cases where extraordinary  
3 circumstances are demonstrated. The Administrator  
4 shall, by regulation, establish criteria for dem-  
5 onstrating such extraordinary circumstances and for  
6 determining to which claims such extraordinary cir-  
7 cumstances apply.”.

8 (b) APPLICABILITY.—The amendments made by sub-  
9 section (a) shall apply to any claim under flood insurance  
10 coverage made available under the National Flood Insur-  
11 ance Act of 1968 (42 U.S.C. 4001 et seq.) pending on  
12 the date of the enactment of this Act and any claims made  
13 after such date of enactment.

14 **SEC. 604. LITIGATION PROCESS OVERSIGHT AND REFORM.**

15 Part C of chapter II of the National Flood Insurance  
16 Act of 1968 (42 U.S.C. 4081 et seq.), as amended by the  
17 preceding provisions of this Act, is further amended by  
18 adding at the end the following new section:

19 **“SEC. 1353. OVERSIGHT OF LITIGATION.**

20 “(a) OVERSIGHT.—The Administrator shall monitor  
21 and oversee litigation conducted by Write Your Own com-  
22 panies arising under contracts for flood insurance sold  
23 pursuant to this title, to ensure that—

24 “(1) litigation expenses are reasonable, appro-  
25 priate, and cost-effective; and

1           “(2) Write Your Own companies comply with  
2           guidance and procedures established by the Adminis-  
3           trator regarding the conduct of litigation.

4           “(b) DENIAL OF REIMBURSEMENT FOR EX-  
5 PENSES.—The Administrator may deny reimbursement  
6 for litigation expenses that are determined to be unreason-  
7 able, excessive, contrary to guidance issued by the Admin-  
8 istrator, or outside the scope of any arrangement entered  
9 into with a Write Your Own company.

10          “(c) LITIGATION STRATEGY.—The Administrator  
11 may direct litigation strategy for claims arising under a  
12 contract for flood insurance sold by a Write Your Own  
13 company.”.

14 **SEC. 605. PROHIBITION ON HIRING DISBARRED ATTOR-**  
15 **NEYS.**

16          Part C of chapter II of the National Flood Insurance  
17 Act of 1968 (42 U.S.C. 4081 et seq.), as amended by the  
18 preceding provisions of this Act, is further amended by  
19 adding at the end the following new section:

20 **“SEC. 1354. PROHIBITION ON HIRING DISBARRED ATTOR-**  
21 **NEYS.**

22          “The Administrator may not at any time newly em-  
23 ploy in connection with the flood insurance program under  
24 this title any attorney who has been suspended or dis-

1 barred by any court, bar, or Federal or State agency to  
2 which the individual was previously admitted to practice.”.

3 **SEC. 606. TECHNICAL ASSISTANCE REPORTS.**

4 (a) USE.—Section 1312 of the National Flood Insur-  
5 ance Act of 1968 (42 U.S.C. 4019), as amended by the  
6 preceding provisions of this Act, is further amended by  
7 adding at the end the following new subsection:

8 “(e) USE OF TECHNICAL ASSISTANCE REPORTS.—  
9 When adjusting claims for any damage to or loss of prop-  
10 erty which is covered by flood insurance made available  
11 under this title, the Administrator may rely upon technical  
12 assistance reports, as such term is defined in section  
13 1312A, only if such reports are final and are prepared  
14 in compliance with applicable State and Federal laws re-  
15 garding professional licensure and conduct.”.

16 (b) DISCLOSURE.—The National Flood Insurance  
17 Act of 1968 is amended by inserting after section 1312  
18 (42 U.S.C. 4019) the following new section:

19 **“SEC. 1312A. DISCLOSURE OF TECHNICAL ASSISTANCE RE-**  
20 **PORTS.**

21 “(a) IN GENERAL.—Notwithstanding section 552a of  
22 title 5, United States Code, upon request by a policy-  
23 holder, the Administrator shall provide a true, complete,  
24 and unredacted copy of any technical assistance report  
25 that the Administrator relied upon in adjusting and pay-

1 ing for any damage to or loss of property insured by the  
2 policyholder and covered by flood insurance made available  
3 under this title. Such disclosures shall be in addition to  
4 any other right of disclosure otherwise made available pur-  
5 suant such section 552a or any other provision of law.

6 “(b) DIRECT DISCLOSURE BY WRITE YOUR OWN  
7 COMPANIES AND DIRECT SERVICING AGENTS.—A Write  
8 Your Own company or direct servicing agent in possession  
9 of a technical assistance report subject to disclosure under  
10 subsection (a) may disclose such technical assistance re-  
11 port without further review or approval by the Adminis-  
12 trator.

13 “(c) DEFINITIONS.—For purposes of this section, the  
14 following definitions shall apply:

15 “(1) POLICYHOLDER.—The term ‘policyholder’  
16 means a person or persons shown as an insured on  
17 the declarations page of a policy for flood insurance  
18 coverage sold pursuant to this title.

19 “(2) TECHNICAL ASSISTANCE REPORT.—The  
20 term ‘technical assistance report’ means a report  
21 created for the purpose of furnishing technical as-  
22 sistance to an insurance claims adjuster assigned by  
23 the National Flood Insurance Program, including by  
24 engineers, surveyors, salvors, architects, and cer-  
25 tified public accounts.”.

1 **SEC. 607. IMPROVED DISCLOSURE REQUIREMENT FOR**  
2 **STANDARD FLOOD INSURANCE POLICIES.**

3 Section 100234 of the Biggert-Waters Flood Insur-  
4 ance Reform Act of 2012 (42 U.S.C. 4013a) is amended  
5 by adding at the end the following new subsection:

6 “(c) DISCLOSURE OF COVERAGE.—

7 “(1) DISCLOSURE SHEET.—Each policy under  
8 the National Flood Insurance Program shall include  
9 a disclosure sheet that sets forth, in plain lan-  
10 guage—

11 “(A) the definition of the term ‘flood’ for  
12 purposes of coverage under the policy;

13 “(B) a description of what type of flood  
14 forces are necessary so that losses from an  
15 event are covered under the policy, including  
16 overflow of inland or tidal waves, unusual and  
17 rapid accumulation or runoff of a surface any  
18 source, and mudflow;

19 “(C) a statement of the types and charac-  
20 teristics of losses that are not covered under the  
21 policy;

22 “(D) a summary of total cost and amount  
23 of insurance coverage, and any other informa-  
24 tion relating to such coverage required to be  
25 disclosed under section 1308(l) of the National

1 Flood Insurance Act of 1968 (42 U.S.C.  
2 4015(l));

3 “(E) a statement that the disclosure sheet  
4 provides general information about the policy-  
5 holder’s standard flood insurance policy;

6 “(F) a statement that the standard flood  
7 insurance policy, together with the endorse-  
8 ments and declarations page, make up the offi-  
9 cial contract and are controlling in the event  
10 that there is any difference between the infor-  
11 mation on the disclosure sheet and the informa-  
12 tion in the policy; and

13 “(G) a statement that if the policyholder  
14 has any questions regarding information in the  
15 disclosure sheet or policy he or she should con-  
16 tact the entity selling the policy on behalf of the  
17 Program, together with contact information suf-  
18 ficient to allow the policyholder to contact such  
19 entity.

20 “(2) ACKNOWLEDGMENT SHEET.—Each policy  
21 under the National Flood Insurance Program shall  
22 include an acknowledgment sheet that sets forth, in  
23 plain language—

1           “(A) a statement of whether or not there  
2           is a basement in the property to be covered by  
3           the policy;

4           “(B) a statement of whether or not the  
5           policy provides coverage for the contents of the  
6           property covered by the policy;

7           “(C) a statement that the standard flood  
8           insurance policy, together with the endorse-  
9           ments and declarations page, make up the offi-  
10          cial contract and are controlling in the event  
11          that there is any difference between the infor-  
12          mation on the acknowledgment sheet and the  
13          information in the policy; and

14          “(D) a statement that if the policyholder  
15          has any questions regarding information in the  
16          acknowledgment sheet or policy he or she  
17          should contact the entity selling the policy on  
18          behalf of the Program, together with contact in-  
19          formation sufficient to allow the policyholder to  
20          contact such entity.

21          “(3)     REQUIRED     SIGNATURES.—Notwith-  
22          standing section 1306(c) of the National Flood In-  
23          surance Act of 1968 (42 U.S.C. 4013(c)), a policy  
24          for flood insurance coverage under the National  
25          Flood Insurance Program may not take effect unless

1 the disclosure sheet required under paragraph (1)  
2 and the acknowledgment sheet required under para-  
3 graph (2), with respect to the policy, are signed and  
4 dated by the policyholder and the seller of the policy  
5 who is acting on behalf of the Program.”.

6 **SEC. 608. RESERVE FUND AMOUNTS.**

7 Section 1310 of the National Flood Insurance Act of  
8 1968 (42 U.S.C. 4017) is amended by adding at the end  
9 the following new subsection:

10 “(g) CREDITING OF RESERVE FUND AMOUNTS.—  
11 Funds collected pursuant to section 1310A may be cred-  
12 ited to the Fund under this section to be available for the  
13 purpose described in subsection (d)(1).”.

14 **SEC. 609. SUFFICIENT STAFFING FOR OFFICE OF FLOOD IN-**  
15 **SURANCE ADVOCATE.**

16 (a) IN GENERAL.—Section 24 of the Homeowner  
17 Flood Insurance Affordability Act of 2014 (42 U.S.C.  
18 4033) is amended by adding at the end the following new  
19 subsection:

20 “(c) STAFF.—The Administrator shall ensure that  
21 the Flood Insurance Advocate has sufficient staff to carry  
22 out all of the duties and responsibilities of the Advocate  
23 under this section.”.

24 (b) TIMING.—The Administrator of the Federal  
25 Emergency Management Agency shall take such actions



1 as may be necessary to provide for full compliance with  
 2 section 24(c) of the Homeowner Flood Insurance Afford-  
 3 ability Act of 2014, as added by the amendment made by  
 4 subsection (a) of this section, not later than the expiration  
 5 of the 180-day period beginning on the date of the enact-  
 6 ment of this Act.

7 **SEC. 610. LIMITED EXEMPTION FOR DISASTER OR CATAS-**  
 8 **TROPHE CLAIMS ADJUSTERS.**

9 Section 7 of the Fair Labor Standards Act of 1938  
 10 (29 U.S.C. 207) is amended by adding at the end the fol-  
 11 lowing:

12 “(s)(1) The provisions of this section shall not apply  
 13 for a period of 2 years after the occurrence of a major  
 14 disaster to any employee—

15 “(A) employed to adjust or evaluate claims re-  
 16 sulting from or relating to such major disaster, by  
 17 an employer not engaged, directly or through an af-  
 18 filiate, in underwriting, selling, or marketing prop-  
 19 erty, casualty, or liability insurance policies or con-  
 20 tracts;

21 “(B) who receives from such employer on aver-  
 22 age weekly compensation of not less than \$591.00  
 23 per week or any minimum weekly amount estab-  
 24 lished by the Secretary, whichever is greater, for the

1       number of weeks such employee is engaged in any  
2       of the activities described in subparagraph (C); and

3           “(C) whose duties include any of the following:

4               “(i) interviewing insured individuals, indi-  
5               viduals who suffered injuries or other damages  
6               or losses arising from or relating to a disaster,  
7               witnesses, or physicians;

8               “(ii) inspecting property damage or review-  
9               ing factual information to prepare damage esti-  
10              mates;

11              “(iii) evaluating and making recommenda-  
12              tions regarding coverage or compensability of  
13              claims or determining liability or value aspects  
14              of claims;

15              “(iv) negotiating settlements; or

16              “(v) making recommendations regarding  
17              litigation.

18       “(2) Notwithstanding any other provision of section  
19 18, in the event of a major disaster, this Act exclusively  
20 shall govern all such employers in lieu of any State or  
21 other Federal law or regulation or local law or regulation,  
22 with respect to the employees described in paragraph (1).

23       “(3) The exemption in this subsection shall not affect  
24 the exemption provided by section 13(a)(1).

25       “(4) For purposes of this subsection—

1           “(A) the term ‘major disaster’ means any nat-  
2           ural catastrophe, including any hurricane, tornado,  
3           storm, high water, wind driven water, tidal wave,  
4           tsunami, earthquake, volcanic eruption, landslide,  
5           mudslide, snowstorm, or drought, or, regardless of  
6           cause, any other catastrophe, including fire, flood,  
7           explosion, land collapse, avalanche, or pollutant or  
8           chemical release;

9           “(B) the term ‘employee employed to adjust or  
10          evaluate claims resulting from or relating to such  
11          major disaster’ means an individual who timely se-  
12          cured or secures a license required by applicable law  
13          to engage in and perform the activities described in  
14          clauses (i) through (v) of paragraph (1)(C) relating  
15          to a major disaster, and is employed by an employer  
16          that maintains worker compensation insurance cov-  
17          erage or protection for its employees, if required by  
18          applicable law, and withholds applicable Federal,  
19          State, and local income and payroll taxes from the  
20          wages, salaries and any benefits of such employees;  
21          and

22          “(C) the term ‘affiliate’ means a company that,  
23          by reason of ownership or control of twenty-five per-  
24          cent (25%) or more of the outstanding shares of any  
25          class of voting securities of one or more companies,

- 1 directly or indirectly, controls, is controlled by, or is
- 2 under common control with, another company.”.

Passed the House of Representatives November 14,  
2017.

Attest:

*Clerk.*



115TH CONGRESS  
1ST SESSION

**H. R. 2874**

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## **AN ACT**

To achieve reforms to improve the financial stability of the National Flood Insurance Program, to enhance the development of more accurate estimates of flood risk through new technology and better maps, to increase the role of private markets in the management of flood insurance risks, and to provide for alternative methods to insure against flood peril, and for other purposes.