

# Union Calendar No. 217

115TH CONGRESS  
1ST SESSION

# H. R. 2874

[Report No. 115-304]

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.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 12, 2017

Mr. DUFFY introduced the following bill; which was referred to the Committee on Financial Services

SEPTEMBER 11, 2017

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on June 12, 2017]

# **A BILL**

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 “21st*  
 5 *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. Annual limitation on premium increases.*
- Sec. 102. Flood insurance affordability program.*
- Sec. 103. Disclosure of premium methodology.*
- Sec. 104. Consideration of coastal and inland locations in premium rates.*
- Sec. 105. Monthly installment payment of premiums.*
- Sec. 106. Enhanced clear communication of flood risks.*
- Sec. 107. Availability of flood insurance information upon request.*
- Sec. 108. Disclosure of flood risk information upon transfer of property.*
- Sec. 109. Voluntary community-based flood insurance pilot program.*
- Sec. 110. Extension of National Flood Insurance Program.*

**TITLE II—INCREASING CONSUMER CHOICE THROUGH PRIVATE  
MARKET DEVELOPMENT**

- Sec. 201. Elimination of non-compete requirement.*
- Sec. 202. Public availability of program information.*
- Sec. 203. Refund of premiums upon cancellation of policy because of replacement  
with private flood insurance.*
- Sec. 204. Provision of private flood insurance by mutual aid societies.*
- Sec. 205. GAO study of flood damage savings accounts.*
- Sec. 206. 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.*

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

- Sec. 401. Provision of Community Rating System premium credits to maximum  
number of communities practicable.*

## 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. *Addressing tomorrow’s high-risk structures today.*  
 Sec. 507. *Pay for performance and streamlining costs and reimbursement.*  
 Sec. 508. *Enforcement of mandatory purchase requirements.*  
 Sec. 509. *Satisfaction of mandatory purchase requirement in States allowing all-perils policies.*  
 Sec. 510. *Flood insurance purchase requirements.*  
 Sec. 511. *Clarifications; deadline for approval of claims.*  
 Sec. 511. *GAO study of simplification of National Flood Insurance Program.*

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

3 **SEC. 101. ANNUAL LIMITATION ON PREMIUM INCREASES.**

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

6 *(1) in paragraph (1), by striking “18 percent”*  
 7 *and inserting “15 percent”; and*

8 *(2) in paragraph (2), by striking “5 percent”*  
 9 *and inserting “8 percent”.*

10 **SEC. 102. FLOOD INSURANCE AFFORDABILITY PROGRAM.**

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

1 *ble properties to purchase policies for flood insurance cov-*  
2 *erage made available under this title.*

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

6       “(c) *STATE ADMINISTRATION.*—*Each participating*  
7 *State shall delegate to a State agency or nonprofit organiza-*  
8 *tion the responsibilities for administrating the State’s pro-*  
9 *gram under this section.*

10       “(d) *ELIGIBLE HOUSEHOLDS.*—

11               “(1) *IN GENERAL.*—*During any fiscal year, as-*  
12 *sistance under the program under this section may be*  
13 *provided only for a household that has an income, as*  
14 *determined for such fiscal year by the participating*  
15 *State in which such household resides, that is less*  
16 *than the income limitation established for such fiscal*  
17 *year for purposes of the State program by the partici-*  
18 *pating State, except that—*

19                       “(A) *assistance under the program under*  
20 *this section may not be provided for a household*  
21 *having a income that exceeds the greater of—*

22                               “(i) *the amount equal to 150 percent of*  
23 *the poverty level for such State; or*

1                   “(ii) the amount equal to 60 percent of  
2                   the median income of households residing in  
3                   such State; and

4                   “(B) a State may not exclude a household  
5                   from eligibility in a fiscal year solely on the  
6                   basis of household income if such income is less  
7                   than 110 percent of the poverty level for the  
8                   State in which such household resides.

9                   “(2) STATE VERIFICATION OF INCOME ELIGI-  
10                  BILITY.—In verifying income eligibility for purposes  
11                  of paragraph (1), the participating State may apply  
12                  procedures and policies consistent with procedures  
13                  and policies used by the State agency administering  
14                  programs under part A of title IV of the Social Secu-  
15                  rity Act (42 U.S.C. 601 et seq.), under title XX of the  
16                  Social Security Act (42 U.S.C. 1397 et seq.), under  
17                  subtitle B of title VI of the Omnibus Budget Rec-  
18                  onciliation Act of 1981 (42 U.S.C. 9901 et seq.; relat-  
19                  ing to community services block grant program),  
20                  under any other provision of law that carries out pro-  
21                  grams which were administered under the Economic  
22                  Opportunity Act of 1964 (42 U.S.C. 2701 et seq.) be-  
23                  fore August 13, 1981, or under other income assist-  
24                  ance or service programs (as determined by the  
25                  State).

1           “(3) *CERTIFICATION BY STATE OF ELIGIBILITY*  
2           *HOUSEHOLDS.—For each fiscal year, each partici-*  
3           *parting State shall certify to the Administrator com-*  
4           *pliance of households who are to be provided assist-*  
5           *ance under the State program during such fiscal year*  
6           *with the income requirements under paragraph (1).*

7           “(e) *ELIGIBLE PROPERTIES.—Assistance under the*  
8           *program under this section may be provided only for a resi-*  
9           *dential property—*

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

11           “(2) *that is owned and occupied by an eligible*  
12           *household;*

13           “(3) *for which a base flood elevation is identified*  
14           *on a flood insurance rate map of the Administrator*  
15           *that is in effect;*

16           “(4) *for which such other information is avail-*  
17           *able as the Administrator considers necessary to de-*  
18           *termine the flood risk associated with such property;*  
19           *and*

20           “(5) *that is located in a community that is par-*  
21           *ticipating in the national flood insurance program.*

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

1           “(1) *LIMITATION ON RATE INCREASES.*—By es-  
2           *tablishing a limitation on the rate of increases in the*  
3           *amount of chargeable premiums paid by eligible*  
4           *households for flood insurance coverage made avail-*  
5           *able under this title.*

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

10          “(g) *NOTIFICATION TO FEMA.*—Under the program  
11          *under this section, a participating State shall, on a fiscal*  
12          *year basis and at the time and in the manner provided*  
13          *by the Administrator—*

14                 “(1) *identify for the Administrator the eligible*  
15                 *households residing in the State who are to be pro-*  
16                 *vided assistance under the State program during such*  
17                 *fiscal year; and*

18                 “(2) *notify the Administrator of the type and*  
19                 *levels of assistance elected under subsection (f) to be*  
20                 *provided under the State program with respect to*  
21                 *such eligible households residing in the State.*

22          “(h) *AMOUNT OF ASSISTANCE.*—Under the program  
23          *under this section, in each fiscal year the Administrator*  
24          *shall, notwithstanding section 1308, make flood insurance*  
25          *coverage available for purchase by households identified as*

1 eligible households for such fiscal year by a participating  
2 State pursuant to subsection (e) at chargeable premium  
3 rates that are discounted by an amount that is based on  
4 the type and levels of assistance elected pursuant to sub-  
5 section (f) by the participating State for such fiscal year.

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

11               “(1) *The estimated risk premium rate for the*  
12               *property under section 1307(a)(1).*

13               “(2) *If applicable, the estimated risk premium*  
14               *rate for the property under section 1307(a)(2).*

15               “(3) *The chargeable risk premium rate for the*  
16               *property taking into consideration the discount pur-*  
17               *suant to subsection (h).*

18               “(4) *The amount of the discount pursuant to*  
19               *subsection (h) for the property.*

20               “(5) *The number and dollar value of claims filed*  
21               *for the property, over the life of the property, under*  
22               *a flood insurance policy made available under the*  
23               *Program and the effect, under this Act, of filing any*  
24               *further claims under a flood insurance policy with re-*  
25               *spect to that property.*

1       “(j) *FUNDING THROUGH STATE AFFORDABILITY SUR-*  
2 *CHARGES.*—

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

16               “(2) *AMOUNT.*—*The amount of the State afford-*  
17 *ability surcharge imposed during a fiscal year on*  
18 *each such policy for a property in a participating*  
19 *State shall be—*

20               “(A) *sufficient such that the aggregate*  
21 *amount of all such State affordability surcharges*  
22 *imposed on properties in such participating*  
23 *State during such fiscal year is equal to the ag-*  
24 *gregate amount by which all policies for flood in-*  
25 *surance coverage under this title sold during*

1           *such fiscal year for properties owned by eligible*  
2           *households in the participating State are dis-*  
3           *counted pursuant to subsection (f); and*

4                     *“(B) the same amount for each property in*  
5           *the participating State being charged such a sur-*  
6           *plus.*

7           *“(k) TREATMENT OF OTHER SURCHARGES.—The pro-*  
8           *vision of assistance under the program under this section*  
9           *with respect to any property and any limitation on pre-*  
10          *miums or premium increases pursuant to subsection (f) for*  
11          *the property shall not affect the applicability or amount*  
12          *of any surcharge under section 1308A for the property, of*  
13          *any increase in premiums charged for the property pursu-*  
14          *ant to section 1310A(c), or of any equivalency fee under*  
15          *section 1308B for the property.*

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

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

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

1       *for the fiscal year established for purposes of the State*  
2       *program of such participating State pursuant to sub-*  
3       *section (g)(1).*

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

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

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

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

22       **SEC. 103. DISCLOSURE OF PREMIUM METHODOLOGY.**

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

1       “(n) *DISCLOSURE OF PREMIUM METHODOLOGY.*—

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

8               “(2) *ALIGNMENT WITH INDUSTRY PRACTICES.*—  
9 *The disclosure required under paragraph (1) shall, to*  
10 *the extent practicable, be aligned with industry pat-*  
11 *terns and practices and shall include information and*  
12 *data recommended by the State insurance commis-*  
13 *sioners 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 methodology.*  
22 *The Administrator shall provide notice of each such*  
23 *public meeting in advance, in such manner, and in*  
24 *using such means as are reasonably designed to notify*  
25 *interested parties and members of the public of the*

1       *date and time, location, and purpose of such meeting,*  
2       *and of how to submit questions or comments.”.*

3   **SEC. 104. CONSIDERATION OF COASTAL AND INLAND LOCA-**  
4                                   **TIONS IN PREMIUM RATES.**

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

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

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

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

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

22       *(c) REVISED RATES.—Not later than the expiration of*  
23   *the two-year period beginning on the date of the enactment*  
24   *of this Act, the Administrator of the Federal Emergency*  
25   *Management Agency shall revise risk premium rates under*

1 *the National Flood Insurance Program to implement the*  
2 *amendments made by this section.*

3 **SEC. 105. MONTHLY INSTALLMENT PAYMENT OF PREMIUMS.**

4 *Subsection (g) of section 1308 of the National Flood*  
5 *Insurance Act of 1968 (42 U.S.C. 4015(g)) is amended—*

6 *(1) by striking the subsection designation and all*  
7 *that follows through “With respect” and inserting the*  
8 *following:*

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

10 *“(1) OPTIONS.—With respect”; and*

11 *(2) by adding at the end the following new para-*  
12 *graph:*

13 *“(2) MONTHLY INSTALLMENT PAYMENT OF PRE-*  
14 *MIUMS.—*

15 *“(A) EXEMPTION FROM RULEMAKING.—*

16 *Until such time as the Administrator promul-*  
17 *gates regulations implementing paragraph (1) of*  
18 *this subsection, the Administrator may adopt*  
19 *policies and procedures, notwithstanding any*  
20 *other provisions of law and in alignment and*  
21 *consistent with existing industry escrow and*  
22 *servicing standards, necessary to implement such*  
23 *paragraph without undergoing notice and com-*  
24 *ment rulemaking and without conducting regu-*





1 formation, including historical information, available to  
 2 the Administrator on flood insurance program coverage,  
 3 payment of claims, and flood damages for the property at  
 4 issue, and any information the Administrator has on  
 5 whether the property owner may be required to purchase  
 6 coverage under the National Flood Insurance Program due  
 7 to previous receipt of Federal disaster assistance, including  
 8 assistance provided by the Small Business Administration,  
 9 the Department of Housing and Urban Development, or the  
 10 Federal Emergency Management Agency, or any other type  
 11 of assistance that subjects the property to the mandatory  
 12 purchase requirement under section 102 of the Flood Dis-  
 13 aster Protection Act of 1973 (42 U.S.C. 4012a).”.

14 **SEC. 108. DISCLOSURE OF FLOOD RISK INFORMATION**  
 15 **UPON TRANSFER OF PROPERTY.**

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

20 **“SEC. 1327. DISCLOSURE OF FLOOD RISK INFORMATION**  
 21 **UPON TRANSFER OF PROPERTY.**

22 “(a) *REQUIREMENT FOR PARTICIPATION IN PRO-*  
 23 *GRAM.*—After September 30, 2022, no new flood insurance  
 24 coverage may be provided under this title for any real prop-  
 25 erty located in any area (or subdivision thereof) unless an

1 *appropriate body has imposed, by statute or regulation, a*  
2 *duty on any seller or lessor of improved real estate located*  
3 *in such area to provide to any purchaser or lessee of such*  
4 *property a property flood hazard disclosure which the Ad-*  
5 *ministrator has determined meets the requirements of sub-*  
6 *section (b).*

7       “(b) *DISCLOSURE REQUIREMENTS.—A property flood*  
8 *hazard disclosure for a property shall meet the requirements*  
9 *of this subsection only if the disclosure—*

10               “(1) *is made in writing;*

11               “(2) *discloses any actual knowledge of the seller*  
12 *or lessor of—*

13                       “(A) *prior physical damage caused by flood*  
14 *to any building located on the property;*

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

19                       “(C) *any previous notification regarding*  
20 *the designation of the property as a repetitive*  
21 *loss or severe repetitive loss property; and*

22                       “(D) *any Federal legal obligation to obtain*  
23 *and maintain flood insurance running with the*  
24 *property, such as any obligation due to a pre-*  
25 *vious form of disaster assistance under the Rob-*

1            *ert T. Stafford Disaster Relief and Emergency*  
 2            *Assistance Act received by any owner of the*  
 3            *property; and*

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

8            *(b) AVAILABILITY OF FLOOD INSURANCE COVERAGE.—*  
 9            *Subsection (c) of section 1305 of the National Flood Insur-*  
 10           *ance Act of 1968 (42 U.S.C. 4012(c)) is 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 para-*  
 16            *graph:*

17            *“(3) given satisfactory assurance that by Sep-*  
 18            *tember 31, 2022, property flood hazard disclosure re-*  
 19            *quirements will have been adopted for the area that*  
 20            *meet the requirements of section 1326.”.*

21            **SEC. 109. VOLUNTARY COMMUNITY-BASED FLOOD INSUR-**  
 22            **ANCE PILOT PROGRAM.**

23            *(a) ESTABLISHMENT.—The Administrator of the Fed-*  
 24            *eral Emergency Management Agency (in this section re-*  
 25            *ferred to as the “Administrator”)* may carry out a commu-

1 *nity-based flood insurance pilot program to make available,*  
2 *for purchase by participating communities, a single, com-*  
3 *munity-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 Act*  
10 *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 this*  
20          *section, the term “community” means any unit of local gov-*  
21          *ernment, within the meaning given such term under the*  
22          *laws of the applicable State.*

1 **SEC. 110. EXTENSION OF NATIONAL FLOOD INSURANCE**  
 2 **PROGRAM.**

3 (a) *FINANCING.*—Section 1309(a) of the National  
 4 Flood Insurance Act of 1968 (42 U.S.C. 4016(a)) is amend-  
 5 ed by striking “September 30, 2017” and inserting “Sep-  
 6 tember 30, 2022”.

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

11 **TITLE II—INCREASING CON-**  
 12 **SUMER CHOICE THROUGH**  
 13 **PRIVATE MARKET DEVELOP-**  
 14 **MENT**

15 **SEC. 201. ELIMINATION OF NON-COMPETE REQUIREMENT.**

16 Section 1345 of the National Flood Insurance Act of  
 17 1968 (42 U.S.C. 4081) is amended by adding at the end  
 18 the following new subsection:

19 “(f) *AUTHORITY TO PROVIDE OTHER FLOOD COV-*  
 20 *ERAGE.*—

21 “(1) *IN GENERAL.*—The Administrator may not,  
 22 as a condition of participating in the Write Your  
 23 Own Program (as such term is defined in section  
 24 1370(a)) or in otherwise participating in the utiliza-  
 25 tion by the Administrator of the facilities and services  
 26 of insurance companies, insurers, insurance agents

1       *and brokers, and insurance adjustment organizations*  
2       *pursuant to the authority in this section, nor as a*  
3       *condition of eligibility to engage in any other activi-*  
4       *ties under the National Flood Insurance Program*  
5       *under this title, restrict any such company, insurer,*  
6       *agent, broker, or organization from offering and sell-*  
7       *ing private flood insurance (as such term is defined*  
8       *in section 102(b)(9) of the Flood Disaster Protection*  
9       *Act of 1973 (42 U.S.C. 4012a(b)(9))).*

10           “(2) *FINANCIAL ASSISTANCE/SUBSIDY ARRANGE-*  
11       *MENT.—After the date of the enactment of this sub-*  
12       *section—*

13           “(A) *the Administrator may not include in*  
14       *any agreement entered into with any insurer for*  
15       *participation in the Write Your Own Program*  
16       *any provision establishing a condition prohibited*  
17       *by paragraph (1), including the provisions of*  
18       *Article XIII of the Federal Emergency Manage-*  
19       *ment Agency, Federal Insurance Administration,*  
20       *Financial Assistance/Subsidy Arrangement, as*  
21       *adopted pursuant to section 62.23(a) of title 44*  
22       *of the Code of Federal Regulations; and*

23           “(B) *any such provision in any such agree-*  
24       *ment entered into before such date of enactment*  
25       *shall not have any force or effect, and the Ad-*

1           *administrator may not take any action to enforce*  
2           *such provision.”.*

3 **SEC. 202. PUBLIC AVAILABILITY OF PROGRAM INFORMA-**  
4           **TION.**

5           *Part C of chapter II of the National Flood Insurance*  
6 *Act of 1968 (42 U.S.C. 4081 et seq.) is amended by adding*  
7 *at the end the following new section:*

8 **“SEC. 1349. PUBLIC AVAILABILITY OF PROGRAM INFORMA-**  
9           **TION.**

10           *“(a) FLOOD RISK INFORMATION.—*

11                   *“(1) IN GENERAL.—Except as provided in para-*  
12 *graph (2), to facilitate the National Flood Insurance*  
13 *Program becoming a source of information and data*  
14 *for research and development of technology that better*  
15 *understands flooding, the risk of flooding, and the*  
16 *predictability of perils of flooding, the Administrator*  
17 *shall make publicly available all data, models, assess-*  
18 *ments, analytical tools, and other information in the*  
19 *possession of the Administrator relating to the Na-*  
20 *tional Flood Insurance Program under this title that*  
21 *is used in assessing flood risk or identifying and es-*  
22 *tablishing flood elevations and premiums, includ-*  
23 *ing—*

24                           *“(A) data relating to risk on individual*  
25                           *properties and loss ratio information and other*

1           *information identifying losses under the pro-*  
2           *gram;*

3           “(B) *current and historical policy informa-*  
4           *tion, limited to the amount and term only, for*  
5           *properties currently covered by flood insurance*  
6           *and for properties that are no longer covered by*  
7           *flood insurance;*

8           “(C) *current and historical claims informa-*  
9           *tion, limited to the date and amount paid only,*  
10          *for properties currently covered by flood insur-*  
11          *ance and for properties that are no longer cov-*  
12          *ered by flood insurance;*

13          “(D) *identification of whether a property*  
14          *was constructed before or after the effective date*  
15          *of the first flood insurance rate map for a com-*  
16          *munity;*

17          “(E) *identification of properties that have*  
18          *been mitigated through elevation, a buyout, or*  
19          *any other mitigation action; and*

20          “(F) *identification of unmitigated multiple-*  
21          *loss properties.*

22          “(2) *OPEN SOURCE DATA SYSTEM.—In carrying*  
23          *out paragraph (1), the Administrator shall establish*  
24          *an open source data system by which all information*  
25          *required to be made publicly available by such sub-*

1        *section may be accessed by the public on an imme-*  
2        *diate basis by electronic means.*

3        *“(b) COMMUNITY INFORMATION.—Not later than the*  
4        *expiration of the 12-month period beginning upon the date*  
5        *of the enactment of this section, the Administrator shall es-*  
6        *tablish and maintain a publicly searchable database that*  
7        *provides information about each community participating*  
8        *in the National Flood Insurance Program, which shall in-*  
9        *clude the following information:*

10            *“(1) The status of the community’s compliance*  
11            *with the National Flood Insurance Program, includ-*  
12            *ing any findings of noncompliance, the status of any*  
13            *enforcement actions initiated by a State or by the Ad-*  
14            *ministrator, and the number of days of any such con-*  
15            *tinuing noncompliance.*

16            *“(2) The number of properties located in the*  
17            *community’s special flood hazard areas that were*  
18            *built before the effective date of the first flood insur-*  
19            *ance rate map for the community.*

20            *“(3) The number of properties located in the*  
21            *community’s special flood hazard areas that were*  
22            *built after the effective date of the first flood insurance*  
23            *rate map for the community.*

1           “(4) *The total number of current and historical*  
2           *claims located outside the community’s special flood*  
3           *hazard areas.*

4           “(5) *The total number of multiple-loss properties*  
5           *in the community.*

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

9           “(c) *IDENTIFICATION OF PROPERTIES.—The informa-*  
10          *tion provided pursuant to subsections (a) and (b) shall be*  
11          *based on data that identifies properties at the zip code or*  
12          *census block level, and shall include the name of the commu-*  
13          *nity and State in which a property is located.*

14          “(d) *PROTECTION OF PERSONALLY IDENTIFIABLE IN-*  
15          *FORMATION.—The information provided pursuant to sub-*  
16          *sections (a) and (b) shall be disclosed in a format that does*  
17          *not reveal individually identifiable information about*  
18          *property owners in accordance with the section 552a of title*  
19          *5, United States Code.*

20          “(e) *DEFINITION OF LOSS RATIO.—For purposes of*  
21          *this section, the term ‘loss ratio’ means, with respect to the*  
22          *National Flood Insurance Program, the ratio of the amount*  
23          *of claims paid under the Program to the amount of pre-*  
24          *miums paid under the Program.”.*

1 **SEC. 203. REFUND OF PREMIUMS UPON CANCELLATION OF**  
2 **POLICY BECAUSE OF REPLACEMENT WITH**  
3 **PRIVATE FLOOD INSURANCE.**

4 *Section 1306 of the National Flood Insurance Act of*  
5 *1968 (42 U.S.C. 4013) is amended by adding at the end*  
6 *the following new subsection:*

7 *“(e) REFUND OF UNEARNED PREMIUMS FOR POLICIES*  
8 *CANCELED BECAUSE OF REPLACEMENT WITH PRIVATE*  
9 *FLOOD INSURANCE.—*

10 *“(1) REQUIRED REFUND.—Subject to subsection*  
11 *(c), if at any time an insured under a policy for flood*  
12 *insurance coverage for a property that is made avail-*  
13 *able under this title cancels such policy because other*  
14 *duplicate flood insurance coverage for the same prop-*  
15 *erty has been obtained from a source other than the*  
16 *National Flood Insurance Program under this title,*  
17 *the Administrator shall refund to the former insured*  
18 *a portion of the premiums paid for the coverage made*  
19 *available under this title, as determined consistent*  
20 *with industry practice according to the portion of the*  
21 *term of the policy that such coverage was in effect, but*  
22 *only if a copy of declarations page of the new policy*  
23 *obtained from a source other than the program under*  
24 *this title is provided to the Administrator.*

25 *“(2) EFFECTIVE DATE OF CANCELLATION.—For*  
26 *purposes of this subsection, a cancellation of a policy*

1     *for coverage made available under the national flood*  
2     *insurance program under this title, for the reason*  
3     *specified in paragraph (1), shall be effective—*

4             “(A) *on the effective date of the new policy*  
5             *obtained from a source other than the program*  
6             *under this title, if the request for such cancella-*  
7             *tion was received by the Administrator before the*  
8             *expiration of the 6-month period beginning on*  
9             *the effective date of the new policy; or*

10            “(B) *on the date of the receipt by the Ad-*  
11            *ministrator of the request for cancellation, if the*  
12            *request for such cancellation was received by the*  
13            *Administrator after the expiration of the 6-*  
14            *month period beginning on the effective date of*  
15            *the new policy.*

16            “(3) *PROHIBITION OF REFUNDS FOR PROP-*  
17            *ERTIES RECEIVING INCREASED COST OF COMPLIANCE*  
18            *CLAIMS.—No premium amounts paid for coverage*  
19            *made available under this title may be refunded pur-*  
20            *suant to this subsection—*

21            “(A) *with respect to coverage for any prop-*  
22            *erty for which measures have been implemented*  
23            *using amounts received pursuant to a claim*  
24            *under increased cost of compliance coverage*  
25            *made available pursuant to section 1304(b); or*

1           “(B) if a claim has been paid or is pending  
2           under the policy term for which the refund is  
3           sought.”.

4 **SEC. 204. PROVISION OF PRIVATE FLOOD INSURANCE BY**  
5 **MUTUAL AID SOCIETIES.**

6           Paragraph (7) of section 102(b) of the Flood Disaster  
7 Protection Act of 1973 (42 U.S.C. 4012a(c)) is amended  
8 to read as follows:

9           “(7) DEFINITIONS.—In this section:

10           “(A) FEDERAL FLOOD INSURANCE.—The  
11 term ‘Federal flood insurance’ means an insur-  
12 ance policy made available under the National  
13 Flood Insurance Act of 1968 (42 U.S.C. 4001 et  
14 seq.).

15           “(B) FLOOD INSURANCE.—The term ‘flood  
16 insurance’ means—

17           “(i) Federal flood insurance; and

18           “(ii) private flood insurance.

19           “(C) MUTUAL AID SOCIETY.—The term ‘mu-  
20 tual aid society’ means an organization—

21           “(i) the members of which—

22           “(I) share a common set of ethical  
23 or religious beliefs; and

24           “(II) in accordance with the be-  
25 liefs described in subclause (I), agree to

1                   *cover expenses arising from damage to*  
2                   *property of the members of the organi-*  
3                   *zation, including damage caused by*  
4                   *flooding; and*

5                   *“(ii) that has a demonstrated history*  
6                   *of fulfilling the terms of agreements to cover*  
7                   *expenses arising from damage to property of*  
8                   *the members of the organization caused by*  
9                   *flooding.*

10                  “(D) *PRIVATE FLOOD INSURANCE.*—*The*  
11                  *term ‘private flood insurance’ means—*

12                   *“(i) an insurance policy that—*

13                    *“(I) is issued by an insurance*  
14                    *company that is—*

15                      *“(aa) licensed, admitted, or*  
16                      *otherwise approved to engage in*  
17                      *the business of insurance in the*  
18                      *State in which the insured build-*  
19                      *ing is located, by the insurance*  
20                      *regulator of that State; or*

21                      *“(bb) eligible as a non-*  
22                      *admitted insurer to provide insur-*  
23                      *ance in the home State of the in-*  
24                      *sured, in accordance with sections*  
25                      *521 through 527 of the Non-*

1                    *admitted and Reinsurance Reform*  
2                    *Act of 2010 (15 U.S.C. 8201*  
3                    *through 8206);*

4                    *“(II) is issued by an insurance*  
5                    *company that is not otherwise dis-*  
6                    *approved as a surplus lines insurer by*  
7                    *the insurance regulator of the State in*  
8                    *which the property to be insured is lo-*  
9                    *cated; and*

10                    *“(III) provides flood insurance*  
11                    *coverage that complies with the laws*  
12                    *and regulations of that State; or*

13                    *“(ii) an agreement with a mutual aid*  
14                    *society for such society to cover expenses*  
15                    *arising from damage to property of the*  
16                    *members of such society caused by flooding,*  
17                    *unless the State in which the property to be*  
18                    *insured is located has—*

19                    *“(I) determined that the specific*  
20                    *mutual aid society may not provide*  
21                    *such coverage or provide such coverage*  
22                    *in such manner; or*

23                    *“(II) specifically provided through*  
24                    *law or regulation that mutual aid soci-*

1                    *eties may not provide such coverage or*  
2                    *provide such coverage in such manner.*

3                    *“(E) STATE.—The term ‘State’ means any*  
4                    *State of the United States, the District of Colum-*  
5                    *bia, the Commonwealth of Puerto Rico, Guam,*  
6                    *the Northern Mariana Islands, the Virgin Is-*  
7                    *lands, and American Samoa.”.*

8    **SEC. 205. GAO STUDY OF FLOOD DAMAGE SAVINGS AC-**  
9                    **COUNTS.**

10            *(a) IN GENERAL.—The Comptroller General of the*  
11            *United States shall conduct a study to analyze the feasi-*  
12            *bility and effectiveness, and problems involved, in reducing*  
13            *flood insurance premiums and eliminating the need for*  
14            *purchase of flood insurance coverage by authorizing owners*  
15            *of residential properties to establish flood damage savings*  
16            *accounts described in subsection (b) in lieu of complying*  
17            *with the mandatory requirements under section 102 of the*  
18            *Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a)*  
19            *to purchase flood insurance for such properties.*

20            *(b) FLOOD DAMAGE SAVINGS ACCOUNT.—A flood dam-*  
21            *age savings account described in this subsection is a savings*  
22            *account—*

23                    *(1) that would be established by an owner of res-*  
24                    *idential property with respect to such property in ac-*  
25                    *cordance with requirements established by the Admin-*

1        *istrator of the Federal Emergency Management Agen-*  
2        *cy; and*

3            *(2) the proceeds of which would be available for*  
4        *use only to cover losses to such properties resulting*  
5        *from flooding, pursuant to adjustment of a claim for*  
6        *such losses in the same manner and according to the*  
7        *same procedures as apply to claims for losses under*  
8        *flood insurance coverage made available under the*  
9        *National Flood Insurance Act of 1968.*

10        *(c) ISSUES.—Such study shall include an analysis of,*  
11        *and recommendation regarding, each of the following issues:*

12            *(1) Whether authorizing the establishment of*  
13        *such flood damage savings accounts would be effective*  
14        *and efficient in reducing flood insurance premiums,*  
15        *eliminating the need for purchase of flood insurance*  
16        *coverage made available under the National Flood In-*  
17        *surance Program, and reducing risks to the financial*  
18        *safety and soundness of the National Flood Insurance*  
19        *Fund.*

20            *(2) Possible options for structuring such flood*  
21        *damage savings accounts, including—*

22            *(A) what types of institutions could hold*  
23        *such accounts and the benefits and problems with*  
24        *each such type of institution;*

1           (B) considerations affecting the amounts re-  
2           quired to be held in such accounts; and

3           (C) options regarding considerations the  
4           conditions under which such an account may be  
5           terminated.

6           (3) The feasibility and effectiveness, and prob-  
7           lems involved in, authorizing the Administrator of the  
8           Federal Emergency Management Agency to make sec-  
9           ondary flood insurance coverage available under the  
10          National Flood Insurance Program to cover the por-  
11          tion of flood losses or damages to properties for which  
12          such flood damage savings accounts have been estab-  
13          lished that exceed the amounts held in such accounts.

14          (4) The benefits and problems involved in au-  
15          thorizing the establishment of such accounts for non-  
16          residential properties.

17          (d) REPORT.—Not later than the expiration of the 12-  
18          month period beginning on the date of the enactment of this  
19          Act, the Comptroller General shall submit a report to the  
20          Committee on Financial Services of the House of Represent-  
21          atives, the Committee on Banking, Housing, and Urban Af-  
22          fairs of the Senate, and the Administrator that sets forth  
23          the analysis, conclusions, and recommendations resulting  
24          from the study under this section. Such report shall identify  
25          elements that should be taken into consideration by the Ad-

1 *ministrator in designing and carrying out the demonstra-*  
2 *tion program under section 205.*

3 **SEC. 206. DEMONSTRATION PROGRAM FOR FLOOD DAMAGE**

4 **SAVINGS ACCOUNTS.**

5 (a) *PLAN.*—*If the Comptroller General of the United*  
6 *States concludes in the report required under section 205*  
7 *that a demonstration program under this section is feasible*  
8 *and should be considered, then the Administrator of the*  
9 *Federal Emergency Management Agency shall, not later*  
10 *than the expiration of the 12-month period beginning upon*  
11 *the submission of the report under section 205(d), submit*  
12 *to the Committee on Financial Services of the House of Rep-*  
13 *resentatives and the Committee on Banking, Housing, and*  
14 *Urban Affairs of the Senate a plan and guidelines for a*  
15 *demonstration program, to be carried out by the Adminis-*  
16 *trator, to demonstrate the feasibility and effectiveness of au-*  
17 *thorizing the establishment of flood damage savings ac-*  
18 *counts, taking into consideration the analysis, conclusions,*  
19 *and recommendations included in such report.*

20 (b) *AUTHORITY.*—*The Administrator of the Federal*  
21 *Emergency Management Agency shall carry out a program*  
22 *to demonstrate the feasibility and effectiveness of author-*  
23 *izing the establishment of flood damage savings accounts*  
24 *in the manner provided in plan and guidelines for the dem-*  
25 *onstration program submitted pursuant to subsection (a).*

1       (c) *SCOPE.*—*The demonstration program under this*  
2 *section shall provide for the establishment of flood damage*  
3 *savings accounts with respect to not more than 5 percent*  
4 *of the residential properties that have 4 or fewer residences*  
5 *and that are covered by flood insurance coverage made*  
6 *available under the National Flood Insurance Program.*

7       (d) *TIMING.*—*The Administrator shall commence the*  
8 *demonstration program under this section not later than*  
9 *the expiration of the 12-month period beginning upon the*  
10 *submission of the plan and guidelines for the demonstration*  
11 *pursuant to subsection (a).*

12       (e) *GEOGRAPHICAL DIVERSITY.*—*The Administrator*  
13 *shall ensure that properties for which flood damage savings*  
14 *accounts are established under the demonstration are lo-*  
15 *cated in diverse geographical areas throughout the United*  
16 *States.*

17       (f) *REPORT.*—*Upon the expiration of the 2-year period*  
18 *beginning upon the date of the commencement of the dem-*  
19 *onstration program under this section, the Administrator*  
20 *shall submit a report to the Committee on Financial Serv-*  
21 *ices of the House of Representatives and the Committee on*  
22 *Banking, Housing, and Urban Affairs of the Senate describ-*  
23 *ing and assessing the demonstration, and setting forth con-*  
24 *clusions and recommendations regarding continuing and*  
25 *expanding the demonstration.*

1           (g) *FEASIBILITY*.—*The Administrator shall implement*  
 2 *this section only after determining that implementation is*  
 3 *supported by the Comptroller’s conclusions and rec-*  
 4 *ommendations contained in the report required under sec-*  
 5 *tion 205.*

## 6       **TITLE III—MAPPING FAIRNESS**

### 7       **SEC. 301. USE OF OTHER RISK ASSESSMENT TOOLS IN DE-** 8                               **TERMINING PREMIUM RATES.**

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

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

13                       *and*

14                       (2) *by adding at the end the following new*  
 15 *clause:*

16                                       *“(iv) both the risk identified by the ap-*  
 17                                       *plicable flood insurance rate maps and by*  
 18                                       *other risk assessment data and tools, includ-*  
 19                                       *ing risk assessment models and scores from*  
 20                                       *appropriate sources; and”.*

21           (b) *ESTABLISHMENT OF CHARGEABLE PREMIUM*  
 22 *RATES*.—*Paragraph (1) of section 1308(b) of the National*  
 23 *Flood Insurance Act of 1968 (42 U.S.C. 4015(b)(1)) is*  
 24 *amended by inserting before the semicolon at the end the*  
 25 *following: “, taking into account both the risk identified by*

1 *the applicable flood insurance rate maps and by other risk*  
2 *assessment data and tools, including risk assessment models*  
3 *and scores from appropriate sources”.*

4 *(c) EFFECTIVE DATE AND REGULATIONS.—*

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

10 *(2) REGULATIONS.—The Administrator of the*  
11 *Federal Emergency Management Agency shall issue*  
12 *regulations necessary to implement the amendments*  
13 *made by subsections (a) and (b), which shall identify*  
14 *risk assessment data and tools to be used in identi-*  
15 *fying flood risk and appropriate sources for risk as-*  
16 *essment models and scores to be so used. Such regula-*  
17 *tions shall be issued not later than the expiration of*  
18 *the 36-month period beginning on the date of the en-*  
19 *actment of this Act and shall take effect upon the ex-*  
20 *piration of such period.*

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

22 *(a) IN GENERAL.—Section 1360 of the National Flood*  
23 *Insurance Act of 1968 (42 U.S.C. 4101) is amended by add-*  
24 *ing at the end the following new subsection:*

25 *“(k) APPEALS OF EXISTING MAPS.—*

1           “(1) *RIGHT TO APPEAL.*—Subject to paragraph  
2           (6), a State or local government, or the owner or les-  
3           see of real property, who has made a formal request  
4           to the Administrator to update a flood map that the  
5           Administrator has denied may at any time appeal  
6           such a denial as provided in this subsection.

7           “(2) *BASIS FOR APPEAL.*—The basis for appeal  
8           under this subsection shall be the possession of knowl-  
9           edge or information that—

10                   “(A) the base flood elevation level or des-  
11                   ignation of any aspect of a flood map is scientif-  
12                   ically or technically inaccurate; or

13                   “(B) factors exist that mitigate the risk of  
14                   flooding, including ditches, banks, walls, vegeta-  
15                   tion, levees, lakes, dams, reservoirs, basin, reten-  
16                   tion ponds, and other natural or manmade topo-  
17                   graphical features.

18           “(3) *APPEALS PROCESS.*—

19                   “(A) *ADMINISTRATIVE ADJUDICATION.*—An  
20                   appeal under this subsection shall be determined  
21                   by a final adjudication on the record, and after  
22                   opportunity for an administrative hearing.

23                   “(B) *RIGHTS UPON ADVERSE DECISION.*—If  
24                   an appeal pursuant to subparagraph (A) does  
25                   not result in a decision in favor of the State,

1           local government, owner, or lessee, such party  
2           may appeal the adverse decision to the Scientific  
3           Resolution Panel provided for in section 1363A,  
4           which shall recommend a non-binding decision  
5           to the Administrator.

6           “(4) RELIEF.—

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

19                   “(B) PARTIALLY SUCCESSFUL APPEALS.—  
20          In the case of any appeal in which mitigating  
21          factors were determined to have reduced, but not  
22          eliminated, the risk of flooding, the Adminis-  
23          trator shall reduce the amount of flood insurance  
24          coverage required to be maintained for the prop-  
25          erty concerned by the ratio of the successful por-

1            *tion of the appeal as compared to the entire ap-*  
2            *peal. The Administrator shall refund to the pol-*  
3            *icyholder any payments made in excess of the*  
4            *amount necessary for such new coverage amount,*  
5            *effective from the time when the mitigating fac-*  
6            *tor was created or the beginning of the second*  
7            *policy year preceding the determination of the*  
8            *appeal, whichever occurred later.*

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

14           *“(5) RECOVERY OF COSTS.—When, incident to*  
15           *any appeal which is successful in whole or part re-*  
16           *garding the designation of the base flood elevation or*  
17           *any aspect of the flood map, including elevation or*  
18           *designation of a special flood hazard area, the com-*  
19           *munity, or the owner or lessee of real property, as the*  
20           *case may be, incurs expense in connection with the*  
21           *appeal, including services provided by surveyors, en-*  
22           *gineers, and scientific experts, the Administrator shall*  
23           *reimburse such individual or community for reason-*  
24           *able expenses to an extent measured by the ratio of*  
25           *the successful portion of the appeal as compared to*

1       *the entire appeal, but not including legal services, in*  
2       *the effecting of an appeal based on a scientific or*  
3       *technical error on the part of the Federal Emergency*  
4       *Management Agency. No reimbursement shall be*  
5       *made by the Administrator in respect to any fee or*  
6       *expense payment, the payment of which was agreed to*  
7       *be contingent upon the result of the appeal. The Ad-*  
8       *ministrator may use such amounts from the National*  
9       *Flood Insurance Fund established under section 1310*  
10       *as may be necessary to carry out this paragraph.*

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

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

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

1 *ment made by subsection (a) of this section, not later than*  
 2 *the expiration of the 6-month period beginning on the date*  
 3 *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 In-*  
 7 *surance Act of 1968 (42 U.S.C. 4104) is amended—*

8 *(1) in subsection (b), by striking the second sen-*  
 9 *tence and inserting the following: “Any owner or les-*  
 10 *see of real property within the community who be-*  
 11 *lieves the owner’s or lessee’s rights to be adversely af-*  
 12 *ected by the Administrator’s proposed determination*  
 13 *may appeal such determination to the local govern-*  
 14 *ment no later than 90 days after the date of the sec-*  
 15 *ond publication.”;*

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

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

20 *(4) by inserting after subsection (d) the following*  
 21 *new subsection:*

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

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

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

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

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-Waters*  
12 *Flood Insurance Reform Act of 2012 (42 U.S.C. 4101b(b))*  
13 *is amended—*

14 *(1) in paragraph (1)—*

15 *(A) in subparagraph (B), by striking “and”*  
16 *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 Geologi-*  
23 *cal Survey, and the National Oceanic and At-*  
24 *mospheric Administration for the purpose of ob-*  
25 *taining the most-up-to-date maps and other in-*  
26 *formation of such agencies, including informa-*

1            *tion on topography, water flow, and any other*  
 2            *issues, relevant to mapping for flood insurance*  
 3            *purposes.”; and*

4            *(2) in paragraph (3)—*

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

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

9                    *(C) by inserting after subparagraph (D) the*  
 10           *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    **TITLE IV—PROTECTING CON-**  
 15            **SUMERS AND INDIVIDUALS**  
 16            **THROUGH IMPROVED MITIGA-**  
 17            **TION**

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

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

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

1           (2) *in paragraph (3), by inserting “, and the*  
2           *Administrator shall provide credits to the maximum*  
3           *number of communities practicable” after “under this*  
4           *program”.*

## 5     **TITLE V—PROGRAM INTEGRITY**

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

7           *Section 1309 of the National Flood Insurance Act of*  
8           *1968 (42 U.S.C. 4016) is amended by adding at the end*  
9           *the following new subsection:*

10          “(e) *INDEPENDENT ACTUARIAL REVIEW.—*

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

19                 “(2) *ANNUAL INDEPENDENT ACTUARIAL*  
20                 *STUDY.—The Administrator shall provide for an*  
21                 *independent actuarial study of the National Flood In-*  
22                 *surance Program to be conducted annually, which*  
23                 *shall analyze the financial position of the program*  
24                 *based on the long-term estimated losses of the pro-*  
25                 *gram. The Administrator shall submit a report (to-*

1 *gether with the independent actuarial study) annu-*  
2 *ally to the Committee on Financial Services of the*  
3 *House of Representatives and the Committee on*  
4 *Banking, Housing, and Urban Affairs of the Senate*  
5 *describing the results of such study, including a deter-*  
6 *mination of whether the Program has collected rev-*  
7 *enue sufficient to cover the administrative expenses of*  
8 *carrying out the flood insurance program, which are*  
9 *reflected in the risk premium rates, cost of capital, all*  
10 *other costs associated with the transfer of risks, and*  
11 *expected claims payments during the reporting pe-*  
12 *riod, and an overall assessment of the financial status*  
13 *of the Program.*

14 *“(3) DETERMINATION OF ACTUARIAL BUDGET*  
15 *DEFICIT.—*

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

24 *“(B) BASIS OF DETERMINATION.—The de-*  
25 *termination required by subparagraph (A) shall*

1           *be based solely upon whether the portion of pre-*  
2           *miums estimated and collected by the Program*  
3           *during the reporting period is sufficient to cover*  
4           *the administrative expenses of carrying out the*  
5           *flood insurance program, which are reflected in*  
6           *the risk premium rates, cost of capital, all other*  
7           *costs associated with the transfer of risk, and ex-*  
8           *pected claims payments for the reporting period.*

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

17                 “(A) *the cumulative volume of policies that*  
18                 *have been underwritten under the National Flood*  
19                 *Insurance Program during such fiscal year*  
20                 *through the end of the quarter for which the re-*  
21                 *port is submitted;*

22                 “(B) *the types of policies insured, cat-*  
23                 *egorized by risk;*

24                 “(C) *any significant changes between actual*  
25                 *and projected claim activity;*

1           “(D) projected versus actual loss rates;

2           “(E) the cumulative number of currently  
3           insured repetitive-loss properties, severe repet-  
4           itive-loss properties, and extreme repetitive-loss  
5           properties that have been identified during such  
6           fiscal year through the end of the quarter for  
7           which the report is submitted;

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

13          “(G) the number and location, by State or  
14          territory, of each policyholder that has been iden-  
15          tified for such fiscal year as an eligible household  
16          for purposes of the flood insurance affordability  
17          program under section 1326.

18          *The first quarterly report under this paragraph shall*  
19          *be submitted on the last day of the first quarter of fis-*  
20          *cal year 2018, or on the last day of the first full cal-*  
21          *endar quarter following the enactment of the 21st*  
22          *Century Flood Reform Act, whichever occurs later.”.*

1 **SEC. 502. ADJUSTMENTS TO HOMEOWNER FLOOD INSUR-**  
2 **ANCE AFFORDABILITY SURCHARGE.**

3 (a) *IN GENERAL.*—Section 1308A of the National  
4 Flood Insurance Act of 1968 (42 U.S.C. 4015a) is amend-  
5 ed—

6 (1) in subsection (a), by striking the first sen-  
7 tence and inserting the following: “The Administrator  
8 shall impose and collect a non-refundable annual sur-  
9 charge, in the amount provided in subsection (b), on  
10 all policies for flood insurance coverage under the Na-  
11 tional Flood Insurance Program that are newly  
12 issued or renewed after the date of the enactment of  
13 this section.”; and

14 (2) by striking subsection (b) and inserting the  
15 following new subsection:

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

18 “(1) *NON-PRIMARY RESIDENCES ELIGIBLE FOR*  
19 *PRP.*—The amount of the surcharge under subsection  
20 (a) shall be \$125 in the case of in the case of a policy  
21 for any property that is—

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

24 “(B) eligible for preferred risk rate method  
25 premiums.

1           “(2) *NON-RESIDENTIAL PROPERTIES AND NON-*  
2           *PRIMARY RESIDENCES NOT ELIGIBLE FOR PRP.—The*  
3           *amount of the surcharge under subsection (a) shall be*  
4           *\$275 in case of in the case of a policy for any prop-*  
5           *erty that is—*

6                     “(A) *a non-residential property; or*

7                     “(B) *a residential property that is—*

8                             “(i) *not the primary residence of an*  
9                             *individual; and*

10                            “(ii) *not eligible for preferred risk rate*  
11                            *method premiums.”.*

12           (b) *APPLICABILITY.—The amendment made by sub-*  
13           *section (a) shall apply with respect to policies for flood in-*  
14           *surance coverage under the National Flood Insurance Act*  
15           *of 1968 that are newly issued or renewed after the expira-*  
16           *tion of the 12-month period beginning on the date of the*  
17           *enactment of this Act.*

18           **SEC. 503. NATIONAL FLOOD INSURANCE RESERVE FUND**

19                            **COMPLIANCE.**

20           *Section 1310A of the National Flood Insurance Act of*  
21           *1968 (42 U.S.C. 4017A) is amended—*

22                     (1) *in subsection (c)(2)(D), by inserting before*  
23                     *the period at the end the following: “, including any*  
24                     *provisions relating to chargeable premium rates or*  
25                     *annual increases of such rates”;*

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

4                   “(A) *PARITY.—In exercising the authority*  
5 *granted under paragraph (1) to increase pre-*  
6 *miums, the Administrator shall institute a single*  
7 *annual, uniform rate of assessment for all indi-*  
8 *vidual policyholders.”; and*

9           (3) *in subsection (d)—*

10                   (A) *by striking paragraph (1) and inserting*  
11 *the following new paragraph:*

12                   “(1) *IN GENERAL.—Beginning in fiscal year*  
13 *2018 and not ending until the fiscal year in which*  
14 *the ratio required under subsection (b) is achieved—*

15                           “(A) *in each fiscal year the Administrator*  
16 *shall place in the Reserve Fund an amount equal*  
17 *to not less than 7.5 percent of the reserve ratio*  
18 *required under subsection (b); and*

19                           “(B) *if in any given fiscal year the Admin-*  
20 *istrator fails to comply with subparagraph (A),*  
21 *for the following fiscal year the Administrator*  
22 *shall increase the rate of the annual assessment*  
23 *pursuant to subsection (c)(3)(A) by at least one*  
24 *percentage point over the rate of the annual as-*

1           *assessment pursuant to subsection (c)(3)(A) in ef-*  
 2           *fect on the first day of such given fiscal year.”;*

3           *(B) in paragraph (2), by inserting before*  
 4           *the period at the end the following: “nor to in-*  
 5           *crease assessments pursuant to paragraph*  
 6           *(1)(B)”;* and

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

12 **SEC. 504. DESIGNATION AND TREATMENT OF MULTIPLE-**  
 13 **LOSS PROPERTIES.**

14           *(a) DEFINITION.—Section 1370 of the National Flood*  
 15 *Insurance Act of 1968 (42 U.S.C. 4121) is amended—*

16           *(1) in subsection (a)—*

17           *(A) by striking paragraph (7); and*

18           *(B) by redesignating paragraphs (8)*  
 19 *through (15) as paragraphs (7) through (14), re-*  
 20 *spectively; and*

21           *(2) by adding at the end the following new sub-*  
 22 *section:*

23           *“(d) MULTIPLE-LOSS PROPERTIES.—*

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

1           “(A) *MULTIPLE-LOSS PROPERTY*.—The term  
2           ‘multiple-loss property’ means any property that  
3           is a repetitive-loss property, a severe repetitive-  
4           loss property, or an extreme repetitive-loss prop-  
5           erty.

6           “(B) *REPETITIVE-LOSS PROPERTY*.—The  
7           term ‘repetitive-loss property’ means a structure  
8           that has incurred flood damage for which two or  
9           more separate claims payments of any amount  
10          have been made under flood insurance coverage  
11          under this title.

12          “(C) *SEVERE REPETITIVE-LOSS PROP-*  
13          *ERTY*.—The term ‘severe repetitive-loss property’  
14          means a structure that has incurred flood dam-  
15          age for which—

16                 “(i) 4 or more separate claims pay-  
17                 ments have been made under flood insur-  
18                 ance coverage under this title, with the  
19                 amount of each such claim exceeding  
20                 \$5,000, and with the cumulative amount of  
21                 such claims payments exceeding \$20,000; or

22                 “(ii) at least 2 separate claims pay-  
23                 ments have been made under flood insur-  
24                 ance coverage under this title, with the cu-

1                    *mulative amount of such claims payments*  
2                    *exceeding the value of the structure.*

3                    “(D) *EXTREME REPETITIVE-LOSS PROP-*  
4                    *ERTY.—The term ‘extreme repetitive-loss prop-*  
5                    *erty’ means a structure that has incurred flood*  
6                    *damage for which at least 2 separate claims have*  
7                    *been made under flood insurance coverage under*  
8                    *this title, with the cumulative amount of such*  
9                    *claims payments exceeding 150 percent of the*  
10                   *maximum coverage amount available for the*  
11                   *structure.*

12                   “(2) *TREATMENT OF CLAIMS BEFORE COMPLI-*  
13                   *ANCE WITH STATE AND LOCAL REQUIREMENTS.—The*  
14                   *Administrator shall not consider claims that occurred*  
15                   *before a structure was made compliant with State*  
16                   *and local floodplain management requirements for*  
17                   *purposes of determining a structure’s status as a mul-*  
18                   *tiple-loss property.”.*

19                   (b) *PREMIUM ADJUSTMENT TO REFLECT CURRENT*  
20 *FLOOD RISK.—*

21                   (1) *IN GENERAL.—Section 1308 of the National*  
22                   *Flood Insurance Act of 1968 (42 U.S.C. 4015), as*  
23                   *amended by the preceding provisions of this Act, is*  
24                   *further amended by adding at the end the following*  
25                   *new subsection:*

1       “(o) *PREMIUM ADJUSTMENT TO REFLECT CURRENT*  
2 *FLOOD RISK.*—

3               “(1) *IN GENERAL.*—*Except as provided in para-*  
4 *graph (2), the Administrator shall rate a multiple-*  
5 *loss property that is charged a risk premium rate es-*  
6 *timated under section 1307(a)(1) (42 U.S.C.*  
7 *4014(a)(1)) based on the current risk of flood reflected*  
8 *in the flood insurance rate map in effect at the time*  
9 *of rating.*

10              “(2) *ADJUSTMENT FOR EXISTING POLICIES.*—*For*  
11 *policies for flood insurance under this title in force on*  
12 *the date of the enactment of this Act for properties de-*  
13 *scribed in paragraph (1)—*

14                   “(A) *notwithstanding subsection (e) of this*  
15 *section, the Administrator shall increase risk*  
16 *premium rates by not less than 15 percent each*  
17 *year until such rates comply with paragraph (1)*  
18 *of this subsection; and*

19                   “(B) *any rate increases required by para-*  
20 *graph (1) shall commence following a claim pay-*  
21 *ment for flood loss under coverage made avail-*  
22 *able this title that occurred after the date of en-*  
23 *actment of this Act.”.*

24              “(2) *CONFORMING AMENDMENT.*—*Section*  
25 *1307(g)(2) of the National Flood Insurance Act of*

1       1968 (42 U.S.C. 4014(g)(2)) is amended by striking  
2       subparagraph (B) and inserting the following new  
3       subparagraph:

4               “(B) in connection with a multiple-loss  
5               property.”.

6       (c) *PRE-FIRM MULTIPLE-LOSS PROPERTY.*—

7               (1) *TERMINATION OF SUBSIDY.*—Section 1307 of  
8       the National Flood Insurance Act of 1968 (42 U.S.C.  
9       4014) is amended—

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

11                      (i) by striking subparagraph (C) and  
12                      inserting the following new subparagraph:

13                      “(C) any extreme repetitive-loss property;”;

14                      (ii) in subparagraph (D), by striking  
15                      “or”;

16                      (iii) in subparagraph (E)—

17                              (I) in clause (i), by striking  
18                              “fair”; and

19                              (II) in clause (ii)—

20                                      (aa) by striking “fair”; and

21                                      (bb) by striking “and” and  
22                              inserting “or”; and

23                      (iv) by adding at the end the following  
24                      new subparagraph:

1           “(F) any repetitive-loss property that has  
2           received a claim payment for flood loss under  
3           coverage made available under this title that oc-  
4           curred after the date of enactment of this Act;  
5           and”;

6           (B) by striking subsection (h).

7           (2) ANNUAL LIMITATION ON PREMIUM IN-  
8           CREASES.—Subsection (e) of section 1308 of the Na-  
9           tional Flood Insurance Act of 1968 (42 U.S.C.  
10          4015(e)) is amended—

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

13           (B) in paragraph (4), by striking “de-  
14          scribed under paragraph (3).” and inserting “es-  
15          timated under section 1307(a)(1); and”;

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

18           “(5) the chargeable risk premium rates for flood  
19          insurance under this title for any properties described  
20          in subparagraph (F) of section 1307(a)(2) shall be in-  
21          creased by not less than 15 percent each year, until  
22          the average risk premium rate for such properties is  
23          equal to the average of the risk premium rates for  
24          properties estimated under section 1307(a)(1).”.

1           (d) *MINIMUM DEDUCTIBLES FOR CERTAIN MULTIPLE-*  
2 *LOSS PROPERTIES.*—

3           (1) *CLERICAL AMENDMENT.*—*The National Flood*  
4 *Insurance Act of 1968, as amended by the preceding*  
5 *provisions of this Act, is further amended—*

6           (A) *by transferring subsection (b) of section*  
7 *1312 (42 U.S.C. 4019(b)) to section 1306 (42*  
8 *U.S.C. 4013), inserting such subsection at the*  
9 *end of such section, and redesignating such sub-*  
10 *section as subsection (f); and*

11           (B) *in section 1312 (42 U.S.C. 4019), by re-*  
12 *designating subsection (c) as subsection (b).*

13           (2) *CERTAIN MULTIPLE-LOSS PROPERTIES.*—  
14 *Subsection (f) of section 1306 of the National Flood*  
15 *Insurance Act of 1968 (42 U.S.C. 4013(e)), as so*  
16 *transferred and redesignated by paragraph (1) of this*  
17 *subsection, is amended adding at the end the fol-*  
18 *lowing new paragraph:*

19           “(3) *CERTAIN MULTIPLE-LOSS PROPERTIES.*—  
20 *Notwithstanding paragraph (1) or (2), the minimum*  
21 *annual deductible for damage to any severe repetitive-*  
22 *loss property or extreme repetitive-loss property shall*  
23 *be not less than \$5,000.”.*

24           (e) *CLAIM HISTORY VALIDATION.*—*Beginning not*  
25 *later than the expiration of the 180-day period beginning*

1 *on the date of the enactment of this Act, the Administrator*  
2 *of the Federal Emergency Management Agency shall under-*  
3 *take efforts to validate the reasonable accuracy of claim his-*  
4 *tory data maintained pursuant to the National Flood In-*  
5 *surance Act of 1968 (42 U.S.C. 4001 et seq.).*

6 *(f) INCREASED COST OF COMPLIANCE COVERAGE.—*  
7 *Paragraph (1) of section 1304(b) of the National Flood In-*  
8 *surance Act of 1968 (42 U.S.C. 4011(b)(1)) is amended by*  
9 *striking “repetitive loss structures” and inserting “mul-*  
10 *tiple-loss properties”.*

11 *(g) AVAILABILITY OF INSURANCE FOR MULTIPLE-LOSS*  
12 *PROPERTIES.—*

13 *(1) IN GENERAL.—The National Flood Insurance*  
14 *Act of 1968 is amended by inserting after section*  
15 *1304 (42 U.S.C. 4011) the following new section:*

16 **“SEC. 1304A. AVAILABILITY OF INSURANCE FOR MULTIPLE-**  
17 **LOSS PROPERTIES.**

18 *“(a) DATE AND INFORMATION IDENTIFYING CURRENT*  
19 *FLOOD RISK.—The Administrator may provide flood insur-*  
20 *ance coverage under this title for a multiple-loss property*  
21 *only if the owner of the property submits to the Adminis-*  
22 *trator such data and information necessary to determine*  
23 *such property’s current risk of flood, as determined by the*  
24 *Administrator, at the time of application for or renewal*  
25 *of such coverage.*

1       “(b) *REFUSAL TO MITIGATE.*—

2               “(1) *IN GENERAL.*—*Except as provided pursuant*  
3 *to paragraph (2), the Administrator may not make*  
4 *flood insurance coverage available under this title for*  
5 *any extreme repetitive-loss property for which a claim*  
6 *payment for flood loss was made under coverage made*  
7 *available under this title that occurred after the date*  
8 *of enactment of the 21st Century Flood Reform Act if*  
9 *the property owner refuses an offer of mitigation for*  
10 *the property under section 1366(a)(2) (42 U.S.C.*  
11 *4104c(a)(2)).*

12               “(2) *EXCEPTIONS; APPEALS.*—*The Director shall*  
13 *develop guidance to provide appropriate exceptions to*  
14 *the prohibition under paragraph (1) and to allow for*  
15 *appeals to such prohibition.”.*

16               “(2) *EFFECTIVE DATE.*—*Section 1304A of the Na-*  
17 *tional Flood Insurance Act of 1968, as added by*  
18 *paragraph (1) of this subsection, shall apply begin-*  
19 *ning upon the expiration of the 12-month period be-*  
20 *ginning on the date of the enactment of this Act.*

21               “(h) *RATES FOR PROPERTIES NEWLY MAPPED INTO*  
22 *AREAS WITH SPECIAL FLOOD HAZARDS.*—*Subsection (i)*  
23 *of section 1308 of the National Flood Insurance Act of 1968*  
24 *(42 U.S.C. 4015(i)) is amended—*

1           (1) by striking the subsection designation and all  
2           that follows through “Notwithstanding” and inserting  
3           the following:

4           “(i) *RATES FOR PROPERTIES NEWLY MAPPED INTO*  
5 *AREAS WITH SPECIAL FLOOD HAZARDS.—*

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

8           (2) by redesignating paragraphs (1) and (2) as  
9           subparagraphs (A) and (B), respectively, and moving  
10          the left margins of such subparagraphs, as so redesign-  
11          ated, and the matter following subparagraph (B), 2  
12          ems to the right; and

13          (3) by adding at the end the following new para-  
14          graph:

15          “(2) *INAPPLICABILITY TO MULTIPLE-LOSS PROP-*  
16 *ERTIES.—Paragraph (1) shall not apply to multiple-*  
17 *loss properties.”.*

18          (i) *CLEAR COMMUNICATION OF MULTIPLE-LOSS PROP-*  
19 *ERTY STATUS.—*

20          (1) *IN GENERAL.—Subsection (l) of section 1308*  
21 *of the National Flood Insurance Act of 1968 (42*  
22 *U.S.C. 4015(l)), as amended by the preceding provi-*  
23 *sions of this Act, is further amended by adding at the*  
24 *end the following new paragraph:*

1           “(2) *MULTIPLE-LOSS PROPERTIES.*—Pursuant to  
2           *paragraph (1), the Administrator shall clearly com-*  
3           *municate to all policyholders for multiple-loss prop-*  
4           *erties the effect on the premium rates charged for such*  
5           *a property of filing any further claims under a flood*  
6           *insurance policy with respect to that property.”.*

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

10           *(1) in subsection (a)—*

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

16                   *(B) in paragraph (1), by inserting “and”*  
17                   *after the semicolon at the end; and*

18                   *(C) by striking paragraphs (2) and (3) and*  
19                   *inserting the following:*

20                   *“(2) to property owners, in coordination with*  
21                   *the State and community, in the form of direct grants*  
22                   *under this section for carrying out mitigation activi-*  
23                   *ties that reduce flood damage to extreme repetitive-*  
24                   *loss properties.*

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

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

9           (3) *in subsection (d)—*

10           (A) *in paragraph (1)—*

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

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

18           (B) *in paragraph (2)—*

19           (i) *by striking “REPETITIVE LOSS*  
20 *STRUCTURES” and inserting “SEVERE RE-*  
21 *PETITIVE-LOSS PROPERTIES”;*

22           (ii) *by striking “repetitive loss struc-*  
23 *tures” and inserting “severe repetitive-loss*  
24 *properties”; and*

1                   (iii) by striking “90 percent” and in-  
2                   serting “100 percent”;

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

5                   (D) by inserting after paragraph (2) the fol-  
6                   lowing new paragraph:

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

10                  (4) in subsection (h)—

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

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

14                   (C) in paragraph (1)—

15                   (i) by striking “COMMUNITY” and in-  
16                   serting “DEFINITION OF COMMUNITY”;

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

19                   (iii) by redesignating such paragraph  
20                   as subsection (j);

21                   (iv) in subparagraph (B), by striking  
22                   “subparagraph (A)” and inserting “para-  
23                   graph (1)”;

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

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

10                   (vii) by moving the left margins of  
11                   subsection (j) (as so redesignated) and para-  
12                   graphs (1) and (2), all as so redesignated,  
13                   two ems to the left; and

14                   (5) by inserting after subsection (g) the following  
15                   new subsections:

16                   “(h) *ALIGNMENT WITH INCREASED COST OF COMPLI-*  
17                   *ANCE.—Notwithstanding any provision of law, any funds*  
18                   *appropriated for assistance under this title may be trans-*  
19                   *ferred to the National Flood Insurance Fund established*  
20                   *under section 1310 (42 U.S.C. 4017) for the payment of*  
21                   *claims to enable the Administrator to deliver grants under*  
22                   *subsection (a)(2) of this section to align with the delivery*  
23                   *of coverage for increased cost of compliance for extreme re-*  
24                   *petitive-loss properties.*

25                   “(i) *FUNDING.—*

1           “(1) *AUTHORIZATION OF APPROPRIATIONS.*—  
2           *Notwithstanding any other provision of law, assist-*  
3           *ance provided under this section shall be funded by—*

4                   “(A) \$225,000,000 in each fiscal year, sub-  
5                   *ject to offsetting collections, through risk pre-*  
6                   *mium rates for flood insurance coverage under*  
7                   *this title, and shall be available subject to section*  
8                   *1310(f);*

9                   “(B) *any penalties collected under section*  
10                   *102(f) the Flood Disaster Protect Act of 1973 (42*  
11                   *U.S.C. 4012a(f); and*

12                   “(C) *any amounts recaptured under sub-*  
13                   *section (e) of this section.*

14           *The Administrator may not use more than 5 percent*  
15           *of amounts made available under this subsection to*  
16           *cover salaries, expenses, and other administrative*  
17           *costs incurred by the Administrator to make grants*  
18           *and provide assistance under this section.*

19           “(2) *AVAILABILITY.*—*Amounts appropriated*  
20           *pursuant to this subsection for any fiscal year may*  
21           *remain available for obligation until expended.”.*

22           “(k) *REPEAL.*—*Section 1367 of the National Flood In-*  
23           *surance Act of 1968 (42 U.S.C. 4104d) is repealed.*

1 **SEC. 505. ELIMINATION OF COVERAGE FOR PROPERTIES**  
 2 **WITH EXCESSIVE LIFETIME CLAIMS.**

3 *Section 1305 of the National Flood Insurance Act of*  
 4 *1968 (42 U.S.C. 4012) is amended by adding at the end*  
 5 *the following new subsection:*

6 *“(e) PROHIBITION OF COVERAGE FOR PROPERTIES*  
 7 *WITH EXCESSIVE LIFETIME CLAIMS.—After the expiration*  
 8 *of the 18-month period beginning on the date of the enact-*  
 9 *ment of this subsection, the Administrator may not make*  
 10 *available any new or renewed coverage for flood insurance*  
 11 *under this title for any multiple-loss property for which the*  
 12 *aggregate amount in claims payments that have been made*  
 13 *after the expiration of such period under flood insurance*  
 14 *coverage under this title exceeds twice the amount of the*  
 15 *replacement value of the structure.”.*

16 **SEC. 506. ADDRESSING TOMORROW’S HIGH-RISK STRUC-**  
 17 **TURES TODAY.**

18 *(a) IN GENERAL.—The National Flood Insurance Act*  
 19 *of 1968 is amended—*

20 *(1) in section 1305 (42 U.S.C. 4012), as amend-*  
 21 *ed by the preceding provisions of this Act, by adding*  
 22 *at the end the following new subsections:*

23 *“(f) REDUCING FUTURE RISKS OF THE NATIONAL*  
 24 *FLOOD INSURANCE FUND.—*

25 *“(1) PROHIBITION OF NEW COVERAGE FOR HIGH-*  
 26 *RISK PROPERTIES.—Except as provided in subsection*

1        *(g) and notwithstanding any other provision of this*  
2        *title, in carrying out the fiduciary responsibility to*  
3        *the National Flood Insurance Program under section*  
4        *1309(e) (42 U.S.C. 4016(e)) and to reduce future risks*  
5        *to the National Flood Insurance Fund, on or after*  
6        *January 1, 2021, the Administrator may not make*  
7        *available flood insurance coverage under this title as*  
8        *follows:*

9                *“(A) NEW STRUCTURES ADDED TO FLOOD*  
10                *HAZARD ZONES.—Any new coverage for any*  
11                *property for which new construction is com-*  
12                *menced on or after such date and that, upon*  
13                *completion of such construction, is located in an*  
14                *area having special flood hazards.*

15                *“(B) STRUCTURES WITH HIGH-VALUE RE-*  
16                *PLACEMENT COSTS.—Any new or renewed cov-*  
17                *erage for any residential property having 4 or*  
18                *fewer residences and a replacement value of the*  
19                *structure, at the time, exclusive of the value of*  
20                *the real estate on which the structure is located,*  
21                *that is equal to or exceeds the amount that is*  
22                *equal to \$1,000,000 multiplied by the number of*  
23                *dwelling units in the structure (as such amount*  
24                *is adjusted pursuant to clause (i)), subject to the*  
25                *following provisions:*

1           “(i) *ADJUSTMENT OF AMOUNTS.*—*The*  
2           *dollar amount in the matter of this sub-*  
3           *paragraph that precedes this clause (as it*  
4           *may have been previously adjusted) shall be*  
5           *adjusted for inflation by the Administrator*  
6           *upon the expiration of the 5-year period be-*  
7           *ginning upon the enactment of this sub-*  
8           *section and upon the expiration of each suc-*  
9           *cessive 5-year period thereafter, in accord-*  
10          *ance with an inflationary index selected by*  
11          *the Administrator.*

12          “(ii) *VALUATION.*—*The Administrator*  
13          *shall determine the replacement value of a*  
14          *property for purposes of this subparagraph*  
15          *using such valuation methods or indicia as*  
16          *the Administrator determines are reason-*  
17          *ably accurate, consistent, reliable, and*  
18          *available for such purposes.*

19          “(2) *ACTUARIAL STRUCTURES WITH HIDDEN*  
20          *RISKS.*—*For any property with risk premium rates*  
21          *estimated under section 1307(a)(1), on or after Janu-*  
22          *ary 1, 2021, the Administrator shall charge risk pre-*  
23          *mium rates based on the current risk of flood reflected*  
24          *in the flood insurance rate map or comparable risk*  
25          *rating metric in effect at the time a policy is newly*

1       *issued, unless the newly issued policy covers a prop-*  
2       *erty with continuous flood insurance coverage under*  
3       *this title, or upon the renewal of a policy. For all*  
4       *such policy renewals, the Administrator shall increase*  
5       *the risk premium rate in accordance with section*  
6       *1308(e)(2) until the risk premium rate is equal to the*  
7       *risk of flood reflected in the flood insurance rate map*  
8       *or comparable risk rating metric in effect at the time*  
9       *of renewal.*

10           “(3) *IMPLEMENTATION.*—*The Administrator*  
11       *may implement this subsection without rulemaking,*  
12       *except that any such implementation shall include*  
13       *advance publication of notice in the Federal Register*  
14       *or advance notice by another comparable method,*  
15       *such as posting on an official website of the Adminis-*  
16       *trator.*

17           “(g) *AVAILABILITY OF OTHERWISE PROHIBITED*  
18       *FLOOD INSURANCE COVERAGE WHERE PRIVATE MARKET*  
19       *COVERAGE IS UNAVAILABLE.*—

20           “(1) *IN GENERAL.*—*The Administrator may*  
21       *make available flood insurance coverage under this*  
22       *Act for a property described in subparagraph (A) or*  
23       *(B) of subsection (f)(1), notwithstanding subsection (f)*  
24       *of this section, if, within the 30-day period beginning*  
25       *upon submission to the Clearinghouse established pur-*

1        *suant to section 1350 of an application for flood in-*  
2        *surance coverage for such property, the Clearinghouse*  
3        *does not provide the applicant with one or more bona*  
4        *fide offers for private flood insurance coverage for*  
5        *such property.*

6            *“(2) SURCHARGE.—Any flood insurance coverage*  
7        *made available for a property pursuant to this sub-*  
8        *section shall be made available at chargeable pre-*  
9        *mium rates otherwise determined under this title for*  
10       *such property, except that the Administrator shall im-*  
11       *pose and collect a surcharge for such coverage in an*  
12       *amount equal to 10 percent of such chargeable pre-*  
13       *mium rate, which shall be deposited into the National*  
14       *Flood Insurance Fund established under section*  
15       *1310.”; and*

16            *(2) in section 1306(a)(1) (42 U.S.C. 4013(a)(1)),*  
17        *by inserting “, subject to subsections (f) and (g) of*  
18        *section 1305” before the semicolon at the end.*

19        *(b) STUDY OF FLOOD INSURANCE CLEARINGHOUSE.—*

20            *(1) IN GENERAL.—The Administrator of the Fed-*  
21        *eral Emergency Management Agency (in this sub-*  
22        *section referred to as the “Administrator”) shall con-*  
23        *duct a study—*

24            *(A) to analyze the feasibility and effective-*  
25        *ness, and problems involved, in establishing,*

1           *maintaining, and operating a Flood Insurance*  
2           *Clearinghouse in accordance with section 1350 of*  
3           *the National Flood Insurance Act of 1968 (as*  
4           *added by the amendment made by subsection (c)*  
5           *of this section); and*

6                     *(B) to develop a plan and guidelines for es-*  
7           *tablishment, design, and operation of such a*  
8           *Clearinghouse*

9           (2) *REPORT.*—*Not later than the expiration of*  
10          *the two-year period beginning on the date of the en-*  
11          *actment of this Act, the Administrator shall submit a*  
12          *report to the Committee on Financial Services of the*  
13          *House of Representatives and the Committee on*  
14          *Banking, Housing, and Urban Affairs of the Senate*  
15          *that sets forth the analysis, conclusions, and rec-*  
16          *ommendations resulting from the study under this*  
17          *section. Such report shall include a plan for establish-*  
18          *ment, design, and operation of the Flood Insurance*  
19          *Clearinghouse, and guidelines for such Clearinghouse,*  
20          *sufficient to provide for commencement of operations*  
21          *of the Clearinghouse under section 1350 of the Na-*  
22          *tional Flood Insurance Act of 1968.*

23          *(c) ESTABLISHMENT OF CLEARINGHOUSE.*—*Part C of*  
24          *chapter II of the National Flood Insurance Act of 1968 (42*  
25          *U.S.C. 4081 et seq.), as amended by the preceding provi-*

1 sions of this Act, is further amended by adding at the end  
2 the following new section:

3 **“SEC. 1350. FLOOD INSURANCE CLEARINGHOUSE.**

4       “(a) *ESTABLISHMENT AND OPERATIONS.*—Not later  
5 than January 1, 2021, the Administrator shall establish  
6 and commence operations of a Flood Insurance Clearing-  
7 house (in this section referred to as the ‘Clearinghouse’) in  
8 accordance with the report, plan, and guidelines required  
9 under section 506(b)(2) of the 21st Century Flood Reform  
10 Act.

11       “(b) *PURPOSE.*—The Clearinghouse shall be estab-  
12 lished for the purpose of receiving applications from pro-  
13 spective insureds for flood insurance coverage for properties  
14 for which such coverage is prohibited under section 1305(f)  
15 of the National Flood Insurance Act of 1968 (42 U.S.C.  
16 4012(f)) and for providing to such applicants offers for such  
17 coverage from insurers providing private flood insurance  
18 (as such term is defined for purposes of section 102(c) of  
19 the Flood Disaster Protection Act of 1973 (42 U.S.C.  
20 4012a(c)) and, subject to the limitations in this section, for  
21 coverage made available under the National Flood Insur-  
22 ance Program.

23       “(c) *FUNCTIONS.*—The Clearinghouse shall have as its  
24 functions—

1           “(1) to provide for prospective insureds to sub-  
2           mit to the Clearinghouse applications for flood insur-  
3           ance coverage for properties described in subsection  
4           (b);

5           “(2) to determine, with respect to a property  
6           identified in an application, the chargeable premium  
7           rate for coverage made available under this title;

8           “(3) with respect to a property identified in an  
9           application, to solicit offers of coverage under private  
10          flood insurance from providers of such insurance dur-  
11          ing a reasonable period of time after such applica-  
12          tion, which offers shall provide terms and conditions  
13          of insurance, including deductibles and exclusions,  
14          that are sufficient to meet the requirements of section  
15          102 of the Flood Disaster Protection Act of 1973 (42  
16          U.S.C. 4012a); and

17          “(4) to provide to the applicant for insurance—

18                 “(A) any bona fide offers for private insur-  
19                 ance coverage made pursuant to paragraph (3)  
20                 for the property identified in the application;

21                 “(B) in the case only of a property for  
22                 which such coverage is authorized pursuant to  
23                 subsection (g) of section 1305, a bona fide offer  
24                 for flood insurance coverage made available  
25                 under this title for the property; and



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 1370*  
5                   *(42 U.S.C. 4004)) with respect to a policy for*  
6                   *flood insurance coverage made available under*  
7                   *this title shall not be greater than 27.9 percent*  
8                   *of the chargeable premium for such coverage.*

9                   “(B) *INAPPLICABILITY.*—*Subparagraph (A)*  
10                   *shall not apply to actual and necessary costs re-*  
11                   *lated to section 1312(a) (42 U.S.C, 4019(a)), or*  
12                   *to payments deemed necessary by the Adminis-*  
13                   *trator.*

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

18           “(2) *PROGRAM SAVINGS.*—

19                   “(A) *IMPLEMENTATION.*—*The Adminis-*  
20                   *trator, within three years of the date of the en-*  
21                   *actment of this Act, shall reduce the costs and*  
22                   *unnecessary burdens for the companies partici-*  
23                   *pating in the Write Your Own program by at*  
24                   *least half of the amount by which the limitation*  
25                   *under paragraph (1)(A) reduced costs compared*

1           to the costs as of the date of the enactment of this  
2           subsection.

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

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

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

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

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

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

18 **SEC. 508. ENFORCEMENT OF MANDATORY PURCHASE RE-**  
19 **QUIREMENTS.**

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

24           (b) *INSURED DEPOSITORY INSTITUTIONS.*—Subpara-  
25 *graph (A) of section 10(i)(2) of the Federal Deposit Insur-*

1 *ance Act (12 U.S.C. 1820(i)(2)(A)) is amended by striking*  
2 *“date of enactment of the Riegle Community Development*  
3 *and Regulatory Improvement Act of 1994 and biennially*  
4 *thereafter for the next 4 years” and inserting “date of enact-*  
5 *ment of the 21st Century Flood Reform Act and biennially*  
6 *thereafter”.*

7       (c) *CREDIT UNIONS.*—Subparagraph (A) of section  
8 204(e)(2) of the Federal Credit Union Act (12 U.S.C.  
9 1784(e)(2)(A)) is amended by striking “date of enactment  
10 of the Riegle Community Development and Regulatory Im-  
11 provement Act of 1994 and biennially thereafter for the next  
12 4 years” and inserting “date of enactment of the 21st Cen-  
13 tury Flood Reform Act and annually thereafter”.

14       (d) *GOVERNMENT-SPONSORED ENTERPRISES.*—Para-  
15 graph (4) of section 1319B(a) of the Federal Housing En-  
16 terprises Financial Safety and Soundness Act of 1992 (12  
17 U.S.C. 4521(a)(4)) is amended, in the matter after and  
18 below subparagraph (B), by striking “first, third, and fifth  
19 annual reports under this subsection required to be sub-  
20 mitted after the expiration of the 1-year period beginning  
21 on the date of enactment of the Riegle Community Develop-  
22 ment and Regulatory Improvement Act of 1994” and in-  
23 serting “first annual report under this subsection required  
24 to be submitted after the expiration of the 1-year period  
25 beginning on the date of enactment of the 21st Century

1 *Flood Reform Act and every such second annual report*  
2 *thereafter”.*

3 (e) *MANDATORY PURCHASE STUDY; GUIDELINES.—*

4 (1) *STUDY.—*

5 (A) *IN GENERAL.—The Comptroller General*  
6 *of the United States shall conduct a study of the*  
7 *implementation and efficacy of the requirements*  
8 *of section 102 of the Flood Disaster Protection*  
9 *Act of 1973 (42 U.S.C. 4012a). Such study shall*  
10 *at minimum consider the following questions:*

11 (i) *How effectively do Federal agencies,*  
12 *regulated lending institutions, and Federal*  
13 *entities for lending regulation implement*  
14 *the requirements of section 102 of the Flood*  
15 *Disaster Protection Act of 1973?*

16 (ii) *Does the current implementation of*  
17 *Flood Disaster Protection Act of 1973 align*  
18 *with the congressional findings and pur-*  
19 *poses described in section 2(b) of such Act*  
20 *(42 U.S.C. 4002)?*

21 (iii) *What, if any, unintended con-*  
22 *sequences have resulted from the require-*  
23 *ments and implementation of section 102 of*  
24 *such Act?*

1           (B) *REPORT.*—Not later than the expiration  
2           of the 18-month period beginning on the date of  
3           the enactment of this Act, the Comptroller Gen-  
4           eral shall submit a report to the Committee on  
5           Financial Services of the House of Representa-  
6           tives and the Committee on Banking, Housing,  
7           and Urban Affairs of the Senate regarding the  
8           findings and conclusions of the study conducted  
9           pursuant to this paragraph.

10          (2) *GUIDELINES.*—The Federal entities for lend-  
11          ing regulation (as such term is defined in section 3(a)  
12          of the Flood Disaster Protection Act of 1973 (42  
13          U.S.C. 4003(a))), in consultation with the Adminis-  
14          trator of the Federal Emergency Management Agency,  
15          shall jointly update and reissue the rescinded docu-  
16          ment of the Administrator entitled “Mandatory Pur-  
17          chase of Flood Insurance Guidelines” (lasted updated  
18          on October 29, 2014). The updated document shall in-  
19          corporate recommendations made by the Comptroller  
20          General pursuant to paragraph (1) of this subsection.

21 **SEC. 509. SATISFACTION OF MANDATORY PURCHASE RE-**  
22 **QUIREMENT IN STATES ALLOWING ALL-PER-**  
23 **ILS POLICIES.**

24          Section 102 of the Flood Disaster Protection Act of  
25          1973 (42 U.S.C. 4012a) is amended—

1           (1) *in subsection (a), by striking “After” and in-*  
2 *serting “Subject to subsection (i) of this section,*  
3 *after”;*

4           (2) *in subsection (b)—*

5                 (A) *in paragraph (1), by striking “Each”*  
6 *and inserting “Subject to subsection (i) of this*  
7 *section, each”;*

8                 (B) *in paragraph (2), by striking “Each”*  
9 *the first place such term appears and inserting*  
10 *“Subject to subsection (i) of this section, A”;* and

11                 (C) *in paragraph (3), by striking “The” the*  
12 *first place such term appears and inserting*  
13 *“Subject to subsection (i) of this section, the”;*

14           (3) *in subsection (e)(1), by striking “If” and in-*  
15 *serting “Subject to subsection (i) of this section, if”;*  
16 *and*

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

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

22                 “(1) *WAIVERS.—Section 102 shall not apply*  
23 *with respect to residential properties in any State*  
24 *that allows any property insurance coverage that cov-*  
25 *ers ‘all-perils’ except specifically excluded perils that*

1 *includes coverage for flood perils in an amount at*  
2 *least equal to the outstanding principal balance of the*  
3 *loan or the maximum limit of flood insurance cov-*  
4 *erage made available under this title with respect to*  
5 *such type of residential property, whichever is less.*

6 “(2) *DEFINITIONS, PROCEDURES, STANDARDS.—*  
7 *The Administrator may establish such definitions,*  
8 *procedures, and standards as the Administrator con-*  
9 *siders necessary for making determinations under*  
10 *paragraph (1).”.*

11 **SEC. 510. FLOOD INSURANCE PURCHASE REQUIREMENTS.**

12 *Section 102 of the Flood Disaster Protection Act of*  
13 *1973 (42 U.S.C. 4012a), as amended by the preceding pro-*  
14 *visions of this Act, is further amended—*

15 *(1) in subsection (c)(2)(A), by striking “\$5,000*  
16 *or less” and inserting the following: “\$25,000 or less,*  
17 *except that such amount (as it may have been pre-*  
18 *viously adjusted) shall be adjusted for inflation by the*  
19 *Administrator upon the expiration of the 5-year pe-*  
20 *riod beginning upon the enactment of the 21st Cen-*  
21 *tury Flood Reform Act and upon the expiration of*  
22 *each successive 5-year period thereafter, in accordance*  
23 *with an inflationary index selected by the Adminis-*  
24 *trator”;* and



1 *commencing legal action on any disputed claim under such*  
2 *a policy.”.*

3 *(b) DEADLINE FOR APPROVAL OF CLAIMS.—*

4 *(1) IN GENERAL.—Section 1312 of the National*  
5 *Flood Insurance Act of 1968 (42 U.S.C. 4019), as*  
6 *amended by the preceding provisions of this Act, is*  
7 *further amended—*

8 *(A) in subsection (a), by striking “The Ad-*  
9 *ministrator” and inserting “Subject to other pro-*  
10 *visions of this section, the Administrator”;* and

11 *(B) by adding at the end the following new*  
12 *subsection:*

13 *“(c) DEADLINE FOR APPROVAL OF CLAIMS.—*

14 *“(1) IN GENERAL.—The Administrator shall pro-*  
15 *vide that, in the case of any claim for damage to or*  
16 *loss of property under flood insurance coverage made*  
17 *available under this title, an initial determination re-*  
18 *garding approval of a claim for payment or dis-*  
19 *approval of the claim be made, and notification of*  
20 *such determination be provided to the insured making*  
21 *such claim, not later than the expiration of the 120-*  
22 *day period (as such period may be extended pursuant*  
23 *to paragraph (2)) beginning upon the day on which*  
24 *the policyholder submits a signed proof of loss detail-*  
25 *ing the damage and amount of the loss. Payment of*

1       *approved claims shall be made as soon as possible*  
2       *after such approval.*

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

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

18       **SEC. 511. GAO STUDY OF SIMPLIFICATION OF NATIONAL**

19                       **FLOOD INSURANCE PROGRAM.**

20               (a) *STUDY.*—*The Comptroller General of the United*  
21       *States shall conduct a study of options for simplifying flood*  
22       *insurance coverage made available under the National*  
23       *Flood Insurance Act, which shall include the following:*

24                       (1) *An analysis of how the administration of the*  
25       *National Flood Insurance Program can be sim-*

1 *plified—statutorily, regulatorily, and administra-*  
2 *tively—for private flood insurance policyholders, com-*  
3 *panies, agents, mortgage lenders, and flood insurance*  
4 *vendors.*

5 *(2) An assessment of ways in which flood insur-*  
6 *ance coverage made available under the National*  
7 *Flood Insurance Act and the program for providing*  
8 *and administering such coverage may be harmonized*  
9 *with private insurance industry standards.*

10 *(3) Identification and analysis of ways in which*  
11 *the structure of the National Flood Insurance Pro-*  
12 *gram may be simplified, including analysis of the ef-*  
13 *ficacy and effects each of the following actions:*

14 *(A) Eliminating the use of two deductibles*  
15 *under the Program.*

16 *(B) Including in claims for flood-damages*  
17 *full replacement cost for property not damaged,*  
18 *but rendered unusable, by the flooding.*

19 *(C) Using umbrella policies that allow mul-*  
20 *tiple structures on a property to be insured*  
21 *under the same policy.*

22 *(b) REPORT.—Not later than the expiration of the 18-*  
23 *month period beginning on the date of the enactment of this*  
24 *Act, the Comptroller General shall submit a report to the*  
25 *Committee on Financial Services of the House of Represent-*

- 1 *atives and the Committee on Banking, Housing, and Urban*
- 2 *Affairs of the Senate regarding the findings and conclusions*
- 3 *of the study conducted pursuant to this section.*

Union Calendar No. 217

115<sup>TH</sup> CONGRESS  
1<sup>ST</sup> Session

**H. R. 2874**

[Report No. 115-304]

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## **A BILL**

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.

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SEPTEMBER 11, 2017

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed