

113TH CONGRESS
1ST SESSION

S. 1075

To extend the phase-in of actuarial rates for flood insurance for certain properties under the Biggert-Waters Flood Insurance Reform Act of 2012.

IN THE SENATE OF THE UNITED STATES

MAY 23, 2013

Mr. MENENDEZ (for himself and Mr. LAUTENBERG) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To extend the phase-in of actuarial rates for flood insurance for certain properties under the Biggert-Waters Flood Insurance Reform Act of 2012.

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.**

4 This Act may be cited as the “Saving Homeowners
5 from Onerous Rate Escalations Act of 2013” or the
6 “SHORE Act of 2013”.

1 **SEC. 2. EXTENSION OF PHASE-IN OF ACTUARIAL RATES**
2 **FOR FLOOD INSURANCE FOR CERTAIN PROP-**
3 **ERTIES.**

4 (a) NEW POLICIES AND LAPSED POLICIES.—Section
5 1307(g) of the National Flood Insurance Act of 1968 (42
6 U.S.C. 4014(g)) is amended—

7 (1) in paragraph (4)—

8 (A) in subparagraph (B), by redesignating
9 clauses (i) and (ii) as subclauses (I) and (II),
10 respectively, and adjusting the margins accord-
11 ingly; and

12 (B) by redesignating subparagraphs (A)
13 and (B) as clauses (i) and (ii), respectively, and
14 adjusting the margins accordingly;

15 (2) by redesignating paragraphs (1) through
16 (4) as subparagraphs (A) through (D), respectively,
17 and adjusting the margins accordingly;

18 (3) in the matter preceding subparagraph (A),
19 as redesignated, by striking “The Administrator”
20 and inserting the following:

21 “(1) IN GENERAL.—The Administrator”; and

22 (4) by adding at the end the following:

23 “(2) PHASE-IN OF ACTUARIAL RATES.—

24 “(A) IN GENERAL.—Any increase in the
25 risk premium rate charged for flood insurance
26 for a property or policy described in subpara-

1 graph (A), (B), or (C) of paragraph (1) that is
2 a result of the prohibition set forth under such
3 paragraph shall be phased in over an 8-year pe-
4 riod at the rate of—

5 “(i) 5 percent for each of the first 5
6 years after the applicable effective date es-
7 tablished under subparagraph (B) of this
8 paragraph; and

9 “(ii) 25 percent for each of the subse-
10 quent 3 years.

11 “(B) EFFECTIVE DATE OF PHASE-IN.—
12 The applicable effective date under this sub-
13 paragraph is the later of—

14 “(i) the date of enactment of the
15 SHORE Act of 2013; or

16 “(ii) the date on which—

17 “(I) a property described in para-
18 graph (1)(A) becomes insured by the
19 national flood insurance program;

20 “(II) a property described in
21 paragraph (1)(B) is purchased; or

22 “(III) coverage for a policy de-
23 scribed in paragraph (1)(C) is re-
24 newed.”.

1 (b) CERTAIN OTHER PROPERTIES.—Section
2 1308(e)(2) of the National Flood Insurance Act of 1968
3 (42 U.S.C. 4015(e)(2)) is amended by striking “by 25 per-
4 cent each year, until” and inserting the following: “by 5
5 percent each year for 5 years and by 25 percent each year
6 thereafter, until”.

7 (c) PREMIUM ADJUSTMENTS TO REFLECT CURRENT
8 RISK OF FLOOD.—

9 (1) IN GENERAL.—Section 1308(h) of the Na-
10 tional Flood Insurance Act of 1968 (42 U.S.C.
11 4015(h)) is amended—

12 (A) in the second sentence, by striking
13 “over a 5-year period, at the rate of 20 percent
14 for each year following such effective date.” and
15 inserting the following: “over a 10-year period,
16 at the rate of 5 percent for each of the first 5
17 years after such effective date and 15 percent
18 for each of the 5 years thereafter.”; and

19 (B) in the third sentence, by striking “over
20 a 5-year period, at the rate of 20 percent for
21 each year following the effective date of such
22 issuance, revision, updating, or change.” and
23 inserting the following: “over a 10-year period,
24 at the rate of 5 percent for each of the first 5
25 years following the effective date of such

1 issuance, revision, updating, or change, and 15
2 percent for each of the 5 years thereafter.”.

3 (2) APPLICABILITY.—For purposes of deter-
4 mining the amounts and schedule for phasing in any
5 increase in the risk premium rate charged for flood
6 insurance under the National Flood Insurance Pro-
7 gram under section 1308(h) of the National Flood
8 Insurance Act of 1968 (42 U.S.C. 4015(h)), as
9 amended by paragraph (1), based on the issuance,
10 revision, updating, or other change with respect to
11 a flood insurance map that took effect during the
12 period beginning on July 6, 2012 and ending on the
13 date of enactment of this Act, the effective date of
14 the issuance, revision, updating, or other change
15 shall be deemed to be the date of enactment of this
16 Act.

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