

115TH CONGRESS
1ST SESSION

S. 1313

To reauthorize the National Flood Insurance Program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 7, 2017

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

A BILL

To reauthorize the National Flood Insurance Program, 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.**

4 This Act may be cited as the “Flood Insurance Af-
5 fordability and Sustainability Act of 2017”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. Definitions.
- Sec. 4. Extension of national flood insurance program.

TITLE I—ENHANCING THE SOLVENCY AND SUSTAINABILITY OF
THE NATIONAL FLOOD INSURANCE PROGRAM

- Sec. 101. Risk transfer.
- Sec. 102. Expanded flood insurance participation study.

TITLE II—ENHANCING FLOOD INSURANCE AFFORDABILITY AND
ACCESSIBILITY

- Sec. 201. Use of premium surcharges.
- Sec. 202. Disclosure with respect to the affordability standard.
- Sec. 203. Flood risk disclosure.
- Sec. 204. Increased cost of compliance.
- Sec. 205. Property risk data.
- Sec. 206. Mitigation provisions.
- Sec. 207. Home structure values.
- Sec. 208. Affordability vouchers.
- Sec. 209. Coverage limits.
- Sec. 210. Monthly installment payment of premiums.

TITLE III—AGREED VALUE PILOT PROGRAM

- Sec. 301. Short title.
- Sec. 302. Definitions.
- Sec. 303. Agreed Value Flood Protection Pilot Program.
- Sec. 304. Use of agreed value flood protection to satisfy requirement to purchase flood insurance to receive a mortgage loan.
- Sec. 305. Agreed Value Flood Protection Program Reserve Fund.
- Sec. 306. Rule of construction.

TITLE IV—PROVIDING PRIVATE MARKET ACCESS,
ACCOUNTABILITY, AND COMPETITION

- Sec. 401. Use of private flood insurance to satisfy mandatory purchase requirement.
- Sec. 402. Provision of private flood insurance by write your own companies.
- Sec. 403. Availability of NFIP claims data.
- Sec. 404. Fees and surcharges for private flood insurance policies.
- Sec. 405. Write Your Own Risk Sharing Pilot Program.

TITLE V—MODERNIZING FLOOD MAPPING AND FLOOD RISK
ACCURACY

- Sec. 501. Reauthorization of National Flood Mapping Program.
- Sec. 502. Mapping standards and guidelines for nongovernmental entities.
- Sec. 503. Use of high-resolution mapping technology.
- Sec. 504. Protected areas.
- Sec. 505. Coastal flood models.

TITLE VI—ENHANCING NATIONAL FLOOD INSURANCE PROGRAM
TRANSPARENCY AND ACCOUNTABILITY

- Sec. 601. Deadline for approval of claims.
- Sec. 602. Flood insurance transparency, accountability, and reform.
- Sec. 603. Reports to Congress.

1 **SEC. 3. DEFINITIONS.**

2 (a) FREESTANDING DEFINITIONS.—In this Act—

3 (1) the term “Administrator” means the Ad-
4 ministrator of the Federal Emergency Management
5 Agency;

6 (2) the terms “Federal flood insurance” and
7 “private flood insurance” have the meanings given
8 those terms in section 102(b)(7) of the Flood Dis-
9 aster Protection Act of 1973 (42 U.S.C.
10 4012a(b)(7)), as amended by section 401(a)(1) of
11 this Act;

12 (3) the term “mandatory purchase require-
13 ment” means the requirement under subsections (a)
14 and (b) of section 102 of the Flood Disaster Protec-
15 tion Act of 1973 (42 U.S.C. 4012a), as amended by
16 section 401 of this Act, to have flood insurance cov-
17 erage;

18 (4) the term “National Flood Insurance Pro-
19 gram” means the program established under the Na-
20 tional Flood Insurance Act of 1968 (42 U.S.C. 4001
21 et seq.);

22 (5) the term “repetitive loss structure” has the
23 meaning given the term in section 1370(a) of the
24 National Flood Insurance Act of 1968 (42 U.S.C.
25 4121(a));

1 (6) the term “severe repetitive loss structure”
2 has the meaning given the term in section 1366(h)
3 of the National Flood Insurance Act of 1968 (42
4 U.S.C. 4104c(h));

5 (7) the term “Standard Flood Insurance Pol-
6 icy” means the Standard Flood Insurance Policy set
7 forth in appendix A to part 61 of title 44, Code of
8 Federal Regulations (or any successor regulation);

9 (8) the term “target housing” means a house
10 structure that—

11 (A) is in an area that has been identified
12 by the Administrator as an area having special
13 flood hazards; or

14 (B) has incurred flood damage;

15 (9) the term “Write Your Own company”
16 means a private property insurance company that
17 participates in the Write Your Own Program; and

18 (10) the term “Write Your Own Program”
19 means the program under which the Federal Emer-
20 gency Management Agency enters into a standard
21 arrangement with private property insurance compa-
22 nies to—

23 (A) sell contracts for Federal flood insur-
24 ance under their own business lines of insur-
25 ance; and

1 (B) adjust and pay claims arising under
2 the contracts described in subparagraph (A).

3 (b) NATIONAL FLOOD INSURANCE ACT.—Section
4 1370(a) of the National Flood Insurance Act of 1968 (42
5 U.S.C. 4121(a)) is amended—

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

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

10 (3) by adding at the end the following:

11 “(16) the term ‘claim report’ means a report
12 created for the purpose of investigating, adjusting,
13 or processing a claim under the national flood insur-
14 ance program, including such reports produced by
15 adjusters, engineers, surveyors, salvors, architects,
16 and certified public accountants;

17 “(17) the term ‘private flood insurance’ has the
18 meaning given the term in section 102(b) of the
19 Flood Disaster Protection Act of 1973 (42 U.S.C.
20 4012a(b));

21 “(18) the term ‘Write Your Own company’
22 means a private property insurance company that
23 participates in the Write Your Own Program; and

24 “(19) the term ‘Write Your Own Program’
25 means the program under which the Federal Emer-

1 agency Management Agency enters into a standard
2 arrangement with private property insurance compa-
3 nies to—

4 “(A) sell contracts for Federal flood insur-
5 ance under their own business lines of insur-
6 ance; and

7 “(B) adjust and pay claims arising under
8 the contracts described in subparagraph (A).”.

9 (c) TECHNICAL AND CONFORMING AMENDMENT.—
10 Section 100202(a) of the Biggert-Waters Flood Insurance
11 Reform Act of 2012 (42 U.S.C. 4004(a)) is amended by
12 striking paragraph (5) and inserting the following:

13 “(5) WRITE YOUR OWN PROGRAM.—The term
14 ‘Write Your Own Program’ means the program
15 under which the Federal Emergency Management
16 Agency enters into a standard arrangement with pri-
17 vate property insurance companies to—

18 “(A) sell contracts for Federal flood insur-
19 ance under their own business lines of insur-
20 ance; and

21 “(B) adjust and pay claims arising under
22 the contracts described in subparagraph (A).”.

1 **SEC. 4. EXTENSION OF NATIONAL FLOOD INSURANCE PRO-**
 2 **GRAM.**

3 (a) FINANCING.—Section 1309(a) of the National
 4 Flood Insurance Act of 1968 (42 U.S.C. 4016(a)) is
 5 amended, in the first sentence, by striking “September 30,
 6 2017” and inserting “September 30, 2027”.

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, 2027”.

11 **TITLE I—ENHANCING THE SOL-**
 12 **VENCY AND SUSTAINABILITY**
 13 **OF THE NATIONAL FLOOD IN-**
 14 **SURANCE PROGRAM**

15 **SEC. 101. RISK TRANSFER.**

16 Section 1345 of the National Flood Insurance Act of
 17 1968 (42 U.S.C. 4081) is amended by striking subsection
 18 (e) and inserting the following:

19 “(e) RISK TRANSFER.—

20 “(1) IN GENERAL.—The Administrator shall
 21 annually transfer a portion of the risk associated
 22 with the flood insurance program to the private rein-
 23 surance or capital markets—

24 “(A) if the Administrator has determined
 25 that the rates and terms of the transfer are
 26 reasonable and appropriate; and

1 “(B) in an amount that is sufficient to—

2 “(i) maintain the ability of the pro-
3 gram to pay claims; and

4 “(ii) limit the exposure of the pro-
5 gram to potential catastrophic losses from
6 extreme events.

7 “(2) FORMS OF TRANSFER.—In carrying out
8 paragraph (1), the Administrator shall consider all
9 forms of risk transfer, including traditional reinsur-
10 ance, catastrophe bonds, collateralized reinsurance,
11 resilience bonds, and other insurance-linked securi-
12 ties, in order to—

13 “(A) maximize pricing competition and the
14 diversity of sources of capital; and

15 “(B) secure the best value for the flood in-
16 surance program.”.

17 **SEC. 102. EXPANDED FLOOD INSURANCE PARTICIPATION**
18 **STUDY.**

19 (a) IN GENERAL.—The Administrator, in coordina-
20 tion with the National Association of Insurance Commis-
21 sioners, shall conduct a study that proposes to address,
22 through programmatic and regulatory changes, how to in-
23 crease participation in flood insurance coverage, including
24 flood insurance purchased under the National Flood In-
25 surance Program and private flood insurance.

1 (b) OPTIONS.—In conducting the study under sub-
2 section (a), the Administrator shall consider the following
3 options:

4 (1) Expanding participation in flood insurance
5 coverage, beyond areas having special flood hazards,
6 to areas of moderate or minimal flood hazard risk.

7 (2) Automatically enrolling consumers in flood
8 insurance while providing consumers the opportunity
9 to decline enrollment.

10 (3) Bundled flood insurance coverage that di-
11 versifies risk across all or multiple-peril forms.

12 (c) REPORT.—Not later than 18 months after the
13 date of enactment of this Act, the Administrator shall sub-
14 mit a report on the study conducted under subsection (a)
15 to—

16 (1) the Committee on Banking, Housing, and
17 Urban Affairs of the Senate;

18 (2) the Committee on Appropriations of the
19 Senate;

20 (3) the Committee on Financial Services of the
21 House of Representatives; and

22 (4) the Committee on Appropriations of the
23 House of Representatives.

1 **TITLE II—ENHANCING FLOOD**
2 **INSURANCE AFFORDABILITY**
3 **AND ACCESSIBILITY**

4 **SEC. 201. USE OF PREMIUM SURCHARGES.**

5 Chapter I of the National Flood Insurance Act of
6 1968 (42 U.S.C. 4011 et seq.) is amended—

7 (1) in section 1308A (42 U.S.C. 4015a)—

8 (A) by redesignating subsection (c) as sub-
9 section (d);

10 (B) by inserting after subsection (b) the
11 following:

12 “(c) USE OF SURCHARGES.—The Administrator shall
13 use any surcharge imposed and collected under subsection
14 (a) to help fund flood mitigation programs, including the
15 program established under section 1366.”; and

16 (C) in subsection (d), as so redesignated,
17 by striking “Subsections (a) and (b)” and in-
18 serting “Subsections (a) through (c)”;

19 (2) in section 1310A(c) (42 U.S.C. 4017A(c)),
20 by striking paragraph (4).

21 **SEC. 202. DISCLOSURE WITH RESPECT TO THE AFFORD-**
22 **ABILITY STANDARD.**

23 Section 1308(j) of the National Flood Insurance Act
24 of 1968 (42 U.S.C. 4015(j)) is amended, in the second
25 sentence, by inserting “and shall include in the report the

1 number of those exceptions as of the date on which the
 2 Administrator submits the report and the location of each
 3 policyholder insured under those exceptions, organized by
 4 county and State” after “of the Senate”.

5 **SEC. 203. FLOOD RISK DISCLOSURE.**

6 (a) IN GENERAL.—Not later than 2 years after the
 7 date of enactment of this Act, the Administrator shall pro-
 8 mulgate regulations for the disclosure of flood risk haz-
 9 ards with respect to any residential or commercial prop-
 10 erty that is offered for sale or lease.

11 (b) REQUIREMENTS.—The regulations promulgated
 12 under subsection (a) shall require that, before a purchaser
 13 or lessee is obligated under any contract to purchase or
 14 lease a property, the seller or lessor, as applicable, shall—

15 (1) provide the purchaser or lessee with a flood
 16 risk information pamphlet produced by the Adminis-
 17 trator;

18 (2) disclose to the purchaser or lessee the avail-
 19 able flood risk profile of the property, including—

20 (A) information available to the seller or
 21 lessor regarding any past—

22 (i) flood damage to the property; or

23 (ii) claim for loss with respect to the
 24 property under—

1 (I) the National Flood Insurance
2 Program; or

3 (II) private flood insurance;

4 (B) information known to the seller or les-
5 sor regarding any designation of the property
6 as—

7 (i) a repetitive loss structure; or

8 (ii) a severe repetitive loss structure;

9 (C) any elevation certificate obtained with
10 respect to the property that is available to the
11 seller or lessor; and

12 (D) any requirement that the property be
13 covered by flood insurance because the property
14 owner, on the date on which the property is
15 sold or leased, or a previous owner, obtained
16 any form of disaster assistance under the Rob-
17 ert T. Stafford Disaster Relief and Emergency
18 Assistance Act (42 U.S.C. 5121 et seq.); and

19 (3) establish a 10-day period (or a period of a
20 different length of time if mutually agreed upon by
21 the parties) during which the purchaser or lessor
22 may review options for managing or mitigating flood
23 risk with respect to the property.

24 (c) COMPLIANCE ASSURANCE.—The regulations pro-
25 mulgated under subsection (a) shall require that, when a

1 seller or lessor has entered into a contract with an agent
2 to sell or lease a unit of target housing, the agent shall,
3 on behalf of the seller or lessor, ensure compliance with
4 this section.

5 **SEC. 204. INCREASED COST OF COMPLIANCE.**

6 (a) INCREASE IN LIMITATION ON LIABILITY.—Not
7 later than 180 days after the date of enactment of this
8 Act, the Administrator shall amend the Standard Flood
9 Insurance Policy to—

10 (1) increase the limitation on liability relating
11 to “Coverage D—Increased Cost of Compliance”
12 from \$30,000 to \$75,000; and

13 (2) provide that 50 percent of the amount de-
14 scribed in paragraph (1) shall be available to the in-
15 sured without regard to whether making that
16 amount available to the insured would exceed the
17 overall policy limit of the insured.

18 (b) PREMIUMS; COVERAGE LIMITS.—Section 1304(b)
19 of the National Flood Insurance Act of 1968 (42 U.S.C.
20 4011(b)) is amended—

21 (1) in paragraph (3), by striking “compliance
22 with the land use and control measures.” and insert-
23 ing “the implementation of such measures; and”;

1 (2) in paragraph (4), by redesignating subpara-
2 graphs (A) through (D) as clauses (i) through (iv),
3 respectively, and adjusting the margins accordingly;

4 (3) by redesignating paragraphs (1) through
5 (4) as subparagraphs (A) through (D), respectively,
6 and adjusting the margins accordingly;

7 (4) in the matter preceding subparagraph (A),
8 as so redesignated, by striking “The national” and
9 inserting the following:

10 “(1) IN GENERAL.—The national”; and

11 (5) by striking the flush text following para-
12 graph (1)(D)(iv), as so redesignated, and inserting
13 the following:

14 “(2) PREMIUMS.—The Administrator shall
15 charge a premium on each insured of not more than
16 \$75 per policy to provide cost of compliance cov-
17 erage in accordance with the provisions of this sub-
18 section.

19 “(3) COVERAGE LIMITS.—Any amount of cov-
20 erage that is provided under this subsection with re-
21 spect to a property is in addition to, and shall not
22 be considered for the purposes of, any limitation on
23 coverage that is applicable to the property under sec-
24 tion 1306(b).”.

1 **SEC. 205. PROPERTY RISK DATA.**

2 Chapter I of the National Flood Insurance Act of
3 1968 (42 U.S.C. 4011 et seq.) is amended by adding at
4 the end the following:

5 **“SEC. 1326. PREMIUM CREDIT FOR SUBMITTING PROPERTY**
6 **RISK DATA.**

7 “(a) IN GENERAL.—Subject to subsection (b), the
8 Administrator may offer a policyholder under the national
9 flood insurance program a premium credit of not more
10 than \$500 if the policyholder submits data and informa-
11 tion that is necessary for the Administrator to determine
12 the level of risk of flood with respect to the property cov-
13 ered by the policy as of the date on which the policyholder
14 submits the data and information to the Administrator.

15 “(b) LIMITATION.—The Administrator may offer a
16 premium credit under subsection (a) only once with re-
17 spect to any building.”.

18 **SEC. 206. MITIGATION PROVISIONS.**

19 (a) MITIGATION STRATEGIES.—Section 1361(d)(1)
20 of the National Flood Insurance Act of 1968 (42 U.S.C.
21 4102(d)(1)) is amended—

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

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

1 (3) by inserting after subparagraph (B) the fol-
2 lowing:

3 “(C) with respect to buildings in dense
4 urban environments, methods that can be de-
5 ployed on a block or neighborhood scale; and

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

8 (b) MITIGATION CREDIT.—Section 1308(k) of the
9 National Flood Insurance Act of 1968 (42 U.S.C.
10 4015(k)) is amended—

11 (1) by striking “shall take into account” and
12 inserting “shall—

13 “(1) take into account”;

14 (2) in paragraph (1), as so designated, by strik-
15 ing the period at the end and inserting “; and”; and

16 (3) by adding at the end the following:

17 “(2) offer a reduction of the risk premium rate
18 charged to a policyholder in an amount that is not
19 less than 10 percent of that rate if the policyholder
20 implements any mitigation method described in
21 paragraph (1).”.

22 (c) COVERAGE FOR COOPERATIVES.—

23 (1) IN GENERAL.—Section 1306 of the Na-
24 tional Flood Insurance Act of 1968 (42 U.S.C.

1 4013) is amended by adding at the end the fol-
2 lowing:

3 “(e) COOPERATIVES.—

4 “(1) DEFINITION.—In this subsection, the term
5 ‘cooperative building’ has the meaning given the
6 term in section 1312(d).

7 “(2) EQUAL TREATMENT WITH CONDOMIN-
8 IUMS.—Notwithstanding any other provision of law,
9 an owner of a share of a cooperative building shall
10 be eligible to purchase flood insurance coverage
11 under the national flood insurance program on the
12 same terms as a condominium owner.”.

13 (2) PAYMENT OF CLAIMS.—Section 1312 of the
14 National Flood Insurance Act of 1968 (42 U.S.C.
15 4019) is amended—

16 (A) in subsection (c)—

17 (i) in the subsection heading, by in-
18 sserting “AND COOPERATIVE” after “CON-
19 DOMINIUM”;

20 (ii) by inserting “or owners of a share
21 of a cooperative building” after “condo-
22 minium owners”; and

23 (iii) by inserting “or cooperative asso-
24 ciation” after “condominium association”
25 each place that term appears; and

1 (B) by adding at the end the following:

2 “(d) DEFINITIONS.—In this section, the terms ‘coop-
3 erative association’ and ‘cooperative building’ have the
4 meanings given the terms by the Administrator.”.

5 **SEC. 207. HOME STRUCTURE VALUES.**

6 (a) STUDY AND REPORT.—

7 (1) STUDY.—The Administrator shall conduct a
8 study, the purpose of which shall be to—

9 (A) evaluate best practices in the insurance
10 industry for risk rating and classification, in-
11 cluding practices that consider replacement cost
12 value when estimating premium rates; and

13 (B) with respect to the estimates made by
14 the Administrator under section 1307(a)(1) of
15 the National Flood Insurance Act of 1968 (42
16 U.S.C. 4014(a)(1)), as in effect on the day be-
17 fore the date of enactment of this Act—

18 (i) assess options, methods, and strat-
19 egies for including replacement cost value
20 in the estimates;

21 (ii) identify recommendations for in-
22 cluding replacement cost value in the esti-
23 mates;

24 (iii) identify an appropriate method-
25 ology by which replacement cost value

1 could be incorporated into the estimates;
2 and

3 (iv) develop a feasible implementation
4 plan and projected timeline for including
5 replacement cost value in the estimates.

6 (2) REPORT.—Not later than 18 months after
7 the date of enactment of this Act, the Administrator
8 shall submit to the Committee on Banking, Housing,
9 and Urban Affairs of the Senate and the Committee
10 on Financial Services of the House of Representa-
11 tives a report that contains—

12 (A) the results of the study conducted
13 under paragraph (1) (referred to in this para-
14 graph as “the study”);

15 (B) an analysis of the recommendations
16 made by the study and the impacts that those
17 recommendations would have on the National
18 Flood Insurance Program, including cost con-
19 siderations;

20 (C) a description of actions taken by the
21 Administrator to implement the recommenda-
22 tions made by the study;

23 (D) a list of any recommendations made
24 by the study that, as of the date on which the
25 Administrator submits the report, the Adminis-

1 trator has deferred or upon which the Adminis-
2 trator has not acted; and

3 (E) an explanatory statement with respect
4 to each recommendation described in subpara-
5 graph (D).

6 (b) IMPLEMENTATION.—

7 (1) IN GENERAL.—Section 1307(a)(1)(A) of the
8 National Flood Insurance Act of 1968 (42 U.S.C.
9 4014(a)(1)(A)) is amended—

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

12 (B) in clause (ii), by striking “, and” and
13 inserting “; and”; and

14 (C) by adding at the end the following:

15 “(iii) the replacement cost value of an
16 insured structure when determining under-
17 insurance loading factors, consistent with
18 the requirements of section 1308(e) and
19 taking into account the results of the study
20 conducted under section 206(a)(1) of the
21 Flood Insurance Affordability and Sustain-
22 ability Act of 2017; and”.

23 (2) EFFECTIVE DATE.—The amendments made
24 by paragraph (1) shall take effect on the date that

1 is 1 year after the date on which the Administrator
2 submits the report under subsection (a)(2).

3 **SEC. 208. AFFORDABILITY VOUCHERS.**

4 Chapter I of the National Flood Insurance Act of
5 1968 (42 U.S.C. 4011 et seq.), as amended by section 205
6 of this Act, is further amended by adding at the end the
7 following:

8 **“SEC. 1327. AFFORDABILITY VOUCHERS.**

9 “(a) DEFINITIONS.—In this section—

10 “(1) the term ‘area median income’ means, with
11 respect to an area, the area median income for the
12 area, as defined for the applicable year by the Sec-
13 retary of Housing and Urban Development;

14 “(2) the term ‘eligible household’ means an
15 owner-occupied household—

16 “(A) that has a total household income
17 that is less than 165 percent of the area me-
18 dian income for the area in which the household
19 is located;

20 “(B) for which the cost of flood insurance
21 premiums, surcharges, and fees in a year would
22 result in excess costs for the household for that
23 year; and

24 “(C) that—

1 “(i) renews an existing flood insur-
2 ance policy under the national flood insur-
3 ance program for building coverage for a
4 property that is in an area having special
5 flood hazards; or

6 “(ii) purchases a flood insurance pol-
7 icy under the national flood insurance pro-
8 gram for building coverage for an existing
9 structure that was owned and occupied by
10 the household before the date on which the
11 building was determined to be located in
12 an area having special flood hazards due to
13 a revision of, or an update to, a floodplain
14 area or flood risk zone that is identified,
15 delineated, or established by the Adminis-
16 trator;

17 “(3) the term ‘excess costs’ means—

18 “(A) for a household that has a total
19 household income that is greater than 80 per-
20 cent of the area median income for the area in
21 which the household is located, the amount by
22 which—

23 “(i) the sum of—

24 “(I) the total amount of pre-
25 miums, surcharges, and fees paid by a

1 household in a year with respect to a
2 flood insurance policy provided under
3 this title; and

4 “(II) the housing expenses in-
5 curred by the household in that year;
6 exceeds

7 “(ii) 40 percent of the total household
8 income for the household in that year; and

9 “(B) for a household that has a total
10 household income that is not greater than 80
11 percent of the area median income for the area
12 in which the household is located, the amount
13 by which the flood insurance premiums, sur-
14 charges, and fees for a flood insurance policy
15 provided under this title in a year for the
16 household exceeds 1 percent of the coverage
17 limit of that flood insurance policy under sec-
18 tion 1306(b); and

19 “(4) the term ‘housing expenses’ means, with
20 respect to a household, the total amount that the
21 household spends in a year on—

22 “(A) mortgage payments;

23 “(B) property taxes; and

24 “(C) homeowners insurance.

1 “(b) VOUCHERS.—The Administrator shall, when the
2 Administrator determines appropriate, provide a voucher
3 to an eligible household in accordance with subsection (c)
4 to use toward the payment of flood insurance premiums,
5 surcharges, and fees incurred by the household in the year
6 for which the voucher is provided.

7 “(c) CALCULATION.—

8 “(1) IN GENERAL.—Subject to paragraph (2),
9 the Administrator shall provide a voucher to an eli-
10 gible household as follows:

11 “(A) An eligible household that has a total
12 household income that is not greater than 80
13 percent of area median income shall receive a
14 voucher in an amount that is equal to 100 per-
15 cent of the excess costs incurred by the house-
16 hold for the year preceding the year in which
17 the eligible household receives the voucher.

18 “(B) An eligible household that has a total
19 household income that is greater than 80 per-
20 cent of area median income and not greater
21 than 120 percent of area median income shall
22 receive a voucher in an amount that is equal to
23 80 percent of the excess costs incurred by the
24 household for the year preceding the year in

1 which the eligible household receives the vouch-
2 er.

3 “(C) An eligible household that has a total
4 household income that is greater than 120 per-
5 cent of area median income and less than 165
6 percent of area median income shall receive a
7 voucher in an amount that is equal to 60 per-
8 cent of the excess costs for the year preceding
9 the year in which the eligible household receives
10 the voucher.

11 “(2) LIMITATION.—The Administrator may not
12 provide a voucher to an eligible household in an
13 amount that is more than the total amount that the
14 eligible household paid in premiums, surcharges, and
15 fees for a flood insurance policy provided under this
16 title during the year preceding the year in which the
17 voucher is provided.”.

18 **SEC. 209. COVERAGE LIMITS.**

19 (a) IN GENERAL.—Section 1306 of the National
20 Flood Insurance Act of 1968 (42 U.S.C. 4013) is amend-
21 ed—

22 (1) in subsection (b)—

23 (A) in the matter preceding paragraph (1),
24 by striking “In addition to any other terms and

1 conditions under subsection (a), such regula-
2 tions” and inserting “The Administrator”;

3 (B) in paragraph (2)—

4 (i) by striking “shall be made” and
5 inserting “may be made”; and

6 (ii) by striking “\$250,000” and in-
7 serting “the baseline amount”;

8 (C) in paragraph (3)—

9 (i) by striking “shall be made” and
10 inserting “may be made”; and

11 (ii) by striking “\$100,000” and in-
12 serting “50 percent of the baseline
13 amount”; and

14 (D) in paragraph (4)—

15 (i) by striking “shall be made” each
16 place that term appears and inserting
17 “may be made”; and

18 (ii) by striking “\$500,000” each place
19 that term appears and inserting “200 per-
20 cent of the baseline amount”; and

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

22 “(e) DEFINITION.—

23 “(1) IN GENERAL.—Subject to paragraph (2),
24 in this section, the term ‘baseline amount’, with re-
25 spect to a property, means the maximum original

1 principal obligation of a conventional mortgage that
2 may be purchased by the Federal National Mortgage
3 Association in the area in which the property as lo-
4 cated, as established under section 302(b)(2) of the
5 Federal National Mortgage Association Charter Act
6 (12 U.S.C. 1717(b)(2)).

7 “(2) CLARIFICATION.—If, after the date of en-
8 actment of this subsection, the baseline amount, as
9 defined in paragraph (1), decreases as compared
10 with the baseline amount in effect on the day before
11 the date of enactment of this subsection, the base-
12 line amount that was in effect on the day before the
13 date of enactment of this subsection shall be deemed
14 to be the baseline amount for the purposes of para-
15 graphs (2), (3), and (4) of subsection (b).”.

16 (b) AUTHORITY OF ADMINISTRATOR TO SELL POLI-
17 CIES.—The Administrator may sell a policy for flood in-
18 surance under the National Flood Insurance Program that
19 meets the requirements of paragraphs (2), (3), and (4)
20 of section 1306(b) of the National Flood Insurance Act
21 of 1968 (42 U.S.C. 4013(b)), as amended by subsection
22 (a), without regard to—

23 (1) section 61.6 of title 44, Code of Federal
24 Regulations, as in effect on the day before the date
25 of enactment of this Act; or

1 (2) any other provision of law.

2 **SEC. 210. MONTHLY INSTALLMENT PAYMENT OF PRE-**
3 **MIUMS.**

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

6 (1) by striking “With respect to” and inserting
7 the following:

8 “(1) ANNUAL OR MONTHLY OPTION.—Subject
9 to paragraph (2), with respect to”; and

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

11 “(2) MONTHLY INSTALLMENT.—With respect
12 to a policyholder that opts under paragraph (1) to
13 pay premiums on a monthly basis, the Administrator
14 may charge the policyholder an annual fee of not
15 more than \$15.

16 “(3) EXEMPTION FROM RULE MAKING; PILOT
17 PROGRAM.—During the period beginning on the date
18 of enactment of this paragraph and ending on the
19 date on which the Administrator promulgates regu-
20 lations carrying out paragraph (1), the Adminis-
21 trator may, notwithstanding any other provision of
22 law—

23 “(A) adopt policies and procedures to carry
24 out that paragraph without—

1 “(i) undergoing notice and comment
2 rule making under section 553 of title 5,
3 United States Code; or

4 “(ii) conducting regulatory analyses
5 otherwise required by statute, regulation,
6 or Executive order; or

7 “(B) carry out that paragraph by estab-
8 lishing a pilot program that gradually imple-
9 ments the requirements of that paragraph.”.

10 **TITLE III—AGREED VALUE** 11 **PILOT PROGRAM**

12 **SEC. 301. SHORT TITLE.**

13 This title may be cited as the “Agreed Value Flood
14 Protection Program Act of 2017”.

15 **SEC. 302. DEFINITIONS.**

16 In this title—

17 (1) the term “agreed value flood protection pol-
18 icy” means a flood protection policy providing that,
19 if a flood occurs, the National Flood Insurance Pro-
20 gram will make payments according to agreed sched-
21 ules of payments determined by flood height in cov-
22 ered structures participating in the Program;

23 (2) the term “catastrophic loss year” means a
24 year in which the combined ratio is not less than
25 130 percent;

1 (3) the term “combined ratio” means the
2 quotient obtained when the sum obtained by adding
3 the losses paid under the National Flood Insurance
4 Program in a year and the expenses of the National
5 Flood Insurance Program in that year is divided by
6 the total amount of premiums collected under the
7 National Flood Insurance Program in that year;

8 (4) the term “covered agent” means any insur-
9 ance agent, producer, or intermediary licensed by a
10 State;

11 (5) the term “covered structure” means real
12 property eligible for flood insurance coverage under
13 the National Flood Insurance Program;

14 (6) the term “eligible participant” means a per-
15 son that has demonstrated ownership of a covered
16 structure;

17 (7) the term “flood height” means the distance
18 between the lowest adjacent grade and the high
19 water mark of a flood on the first floor of a covered
20 structure, as measured or as determined by other
21 appropriate methods;

22 (8) the term “Program” means the Agreed
23 Value Flood Protection Program established under
24 section 303(a); and

1 (9) the term “Reserve Fund” means the Agreed
2 Value Flood Protection Program Reserve Fund es-
3 tablished under section 305(a).

4 **SEC. 303. AGREED VALUE FLOOD PROTECTION PILOT PRO-**
5 **GRAM.**

6 (a) IN GENERAL.—The Administrator may establish
7 and carry out an optional Agreed Value Flood Protection
8 Pilot Program for the 8-year period beginning on the date
9 of enactment of this Act, or during the period beginning
10 on the date of enactment of this Act and ending on the
11 date on which authorization for the National Flood Insur-
12 ance Program expires, whichever is shorter, under
13 which—

14 (1) an eligible participant may purchase an
15 agreed value flood protection policy to protect
16 against losses resulting from physical damage to, or
17 loss of, a covered structure, including any personal
18 property related thereto, owned by the eligible par-
19 ticipant arising from a flood occurring in the United
20 States during the period for which the policy is in
21 force;

22 (2) a covered agent may issue an agreed value
23 flood protection policy to an eligible participant; and

24 (3) an eligible participant may not be denied
25 the opportunity to purchase an agreed value flood

1 protection policy solely on the basis of the geo-
2 graphic location of the eligible participant.

3 (b) ELIGIBILITY.—In order to purchase an agreed
4 value flood protection policy, an eligible participant shall
5 demonstrate that the value of the covered structure to be
6 covered under the policy, including any contents within the
7 covered structure, is not less than the coverage amount
8 of the policy.

9 (c) ISSUANCE.—

10 (1) IN GENERAL.—Except as provided in para-
11 graph (2), any covered agent may issue an agreed
12 value flood protection policy to an eligible partici-
13 pant under the Program.

14 (2) EXCEPTION.—A covered agent may not
15 issue a policy under paragraph (1) if the structure
16 with respect to which the policy would apply is in-
17 sured under the National Flood Insurance Program.

18 (d) BROCHURE.—

19 (1) IN GENERAL.—The Administrator shall
20 publish a brochure that compares the premium rates
21 charged under the National Flood Insurance Pro-
22 gram with the premium rates charged under the
23 Program.

24 (2) COVERED AGENTS.—

1 (A) IN GENERAL.—A covered agent shall
2 explain to an eligible participant the risks asso-
3 ciated with an agreed value flood protection pol-
4 icy before the eligible participant purchases a
5 policy.

6 (B) DELIVERY.—If a covered agent deliv-
7 ers the brochure published under paragraph (1)
8 to an eligible participant before the eligible par-
9 ticipant purchases an agreed value flood protec-
10 tion policy, the delivery shall constitute prima
11 facie evidence that the covered agent has satis-
12 fied the requirement under subparagraph (A).

13 (e) REPORT.—Not later than 1 year after the date
14 on which the Program ends, the Administrator shall sub-
15 mit to Congress a report—

16 (1) containing data that was collected during
17 the administration of the Program relating to under-
18 insurance factors, claims statistics, claims disputes
19 (including how such disputes were adjudicated), and
20 actuarial rate reviews; and

21 (2) that compares premium rates charged under
22 the Program with comparable premium rates
23 charged under the standard flood insurance policy,
24 controlling for comparable risk factors.

1 **SEC. 304. USE OF AGREED VALUE FLOOD PROTECTION TO**
2 **SATISFY REQUIREMENT TO PURCHASE**
3 **FLOOD INSURANCE TO RECEIVE A MORT-**
4 **GAGE LOAN.**

5 An agreed value flood protection policy shall satisfy
6 the mandatory purchase requirement.

7 **SEC. 305. AGREED VALUE FLOOD PROTECTION PROGRAM**
8 **RESERVE FUND.**

9 (a) ESTABLISHMENT OF AN AGREED VALUE FLOOD
10 PROTECTION RESERVE FUND.—In carrying out the Pro-
11 gram, the Administrator shall establish in the Treasury
12 of the United States an Agreed Value Flood Protection
13 Program Reserve Fund, which shall be—

14 (1) separate from any other accounts or funds
15 available to the Administrator; and

16 (2) available for meeting the expected future
17 obligations of the Program, including—

18 (A) the payment of claims during cata-
19 strophic loss years; and

20 (B) the repayment of amounts outstanding
21 under any note or other obligation issued by the
22 Administrator under section 1309(a) of the Na-
23 tional Flood Insurance Act of 1968 (42 U.S.C.
24 4016(a)).

25 (b) RESERVE RATIO.—Subject to the phase-in re-
26 quirements under subsection (d), the Reserve Fund shall

1 maintain a balance that, together with any risk financing
2 covering the Program, is an amount that is equal to—

3 (1) 1.5 percent of the sum of the total potential
4 loss exposure of all outstanding agreed value flood
5 protection policies in force during the prior fiscal
6 year; or

7 (2) a higher percentage of the sum described in
8 paragraph (1) that the Administrator determines to
9 be appropriate, taking into consideration any cir-
10 cumstance that may raise a significant risk of sub-
11 stantial future losses to the Reserve Fund.

12 (c) MAINTENANCE OF RESERVE RATIO.—

13 (1) IN GENERAL.—The Administrator may es-
14 tablish, increase, or decrease the amount of aggre-
15 gate annual policy charges to be collected for any
16 fiscal year that are necessary in order to—

17 (A) maintain the amount required under
18 subsection (b); and

19 (B) if the balance of the Reserve Fund is
20 an amount that is less than the amount re-
21 quired under subsection (b), obtain the amount
22 required under subsection (b).

23 (2) CONSIDERATIONS.—In exercising the au-
24 thority under paragraph (1), the Administrator shall
25 consider—

1 (A) the expected operating expenses of the
2 Reserve Fund;

3 (B) the covered loss expenditures under
4 the Program;

5 (C) any investment income generated
6 under the Program; and

7 (D) any other factor that the Adminis-
8 trator determines appropriate.

9 (3) LIMITATION.—Notwithstanding any other
10 provision of law or any agreement entered into by
11 the Administrator, the Administrator shall ensure
12 that all amounts attributable to the establishment or
13 increase of annual policy charges under paragraph
14 (1) are transferred to the Administrator for deposit
15 into the Reserve Fund to be available for meeting
16 the expected future obligations of the Program, as
17 described in subsection (a)(2).

18 (d) PHASE-IN REQUIREMENTS.—The phase-in re-
19 quirements under this subsection are as follows:

20 (1) IN GENERAL.—Beginning in fiscal year
21 2018, and in each successive fiscal year thereafter
22 until the amount required under subsection (b) is
23 obtained, the Administrator shall deposit in the Re-
24 serve Fund an amount that is not less than 10 per-
25 cent of the amount required under subsection (b).

1 (2) AMOUNT SATISFIED.—Except as provided
2 in paragraph (3), beginning on the date on which
3 the amount required under subsection (b) is ob-
4 tained, the Administrator shall not be required to
5 set aside any amounts for the Reserve Fund.

6 (3) EXCEPTION.—If, at any time during any
7 fiscal year after the amount required under sub-
8 section (b) is obtained, the amount in the Reserve
9 Fund is less than the amount required under sub-
10 section (b), the Administrator shall deposit in the
11 Reserve Fund during that fiscal year an amount
12 that is not less than the lesser of—

13 (A) the difference between the amount re-
14 quired under subsection (b) and the amount in
15 the Reserve Fund; or

16 (B) 10 percent of the amount required
17 under subsection (b).

18 (e) LIMITATION ON RESERVE RATIO.—If, in any fis-
19 cal year, the Administrator determines that the amount
20 required under subsection (b) cannot be obtained, the Ad-
21 ministrator shall submit to Congress a report that—

22 (1) describes and details the specific concerns
23 of the Administrator regarding the consequences of
24 that amount not being obtained;

1 (2) demonstrates how the consequences de-
 2 scribed in paragraph (1) would harm the long-term
 3 financial soundness of the Program; and

4 (3) indicates the maximum attainable amount
 5 for that fiscal year.

6 (f) INVESTMENT.—The Secretary of the Treasury
 7 shall invest such amounts of the Reserve Fund as the Sec-
 8 retary determines advisable in obligations issued or guar-
 9 anteed by the United States.

10 **SEC. 306. RULE OF CONSTRUCTION.**

11 Nothing in this title may be construed to—

12 (1) limit the National Flood Insurance Pro-
 13 gram, including the ability of a person to purchase
 14 flood insurance under the National Flood Insurance
 15 Program to satisfy the mandatory purchase require-
 16 ment; or

17 (2) require a person to participate in the Pro-
 18 gram.

19 **TITLE IV—PROVIDING PRIVATE**
 20 **MARKET ACCESS, ACCOUNT-**
 21 **ABILITY, AND COMPETITION**

22 **SEC. 401. USE OF PRIVATE FLOOD INSURANCE TO SATISFY**
 23 **MANDATORY PURCHASE REQUIREMENT.**

24 (a) IN GENERAL.—

25 (1) MANDATORY PURCHASE REQUIREMENT.—

1 (A) AMOUNT AND TERM OF COVERAGE.—
2 Section 102 of the Flood Disaster Protection
3 Act of 1973 (42 U.S.C. 4012a) is amended by
4 striking “SEC. 102. (a)” and all that follows
5 through the end of subsection (a) and inserting
6 the following:

7 “SEC. 102. (a) AMOUNT AND TERM OF COVERAGE.—
8 “(1) IN GENERAL.—Subject to paragraph (2),
9 on and after the date that is 60 days after the date
10 of enactment of this Act, no Federal officer or agen-
11 cy may approve any financial assistance for acquisi-
12 tion or construction purposes for use in any area
13 that has been identified by the Administrator as an
14 area having special flood hazards and in which the
15 sale of flood insurance has been made available
16 under the National Flood Insurance Act of 1968 (42
17 U.S.C. 4001 et seq.), unless the building or mobile
18 home and any personal property to which the finan-
19 cial assistance relates is covered by flood insurance.

20 “(2) AMOUNT AND TERM.—

21 “(A) AMOUNT GENERALLY.—The amount
22 of flood insurance required under paragraph
23 (1)—

24 “(i) in the case of Federal flood insur-
25 ance, shall be not less than the lesser of—

1 “(I) 80 percent of the purchase
2 price of the property;

3 “(II) the development or project
4 cost of the building, mobile home, or
5 personal property (less estimated land
6 cost);

7 “(III) the maximum limit of Fed-
8 eral flood insurance coverage made
9 available with respect to the particular
10 type of property; or

11 “(IV) for multi-unit structures
12 only, the outstanding principal bal-
13 ance of the loan; or

14 “(ii) in the case of private flood insur-
15 ance, shall be not less than the lesser of—

16 “(I) 80 percent of the purchase
17 price of the property;

18 “(II) the development or project
19 cost of the building, mobile home, or
20 personal property (less estimated land
21 cost);

22 “(III) the maximum limit of Fed-
23 eral flood insurance coverage made
24 available with respect to the particular
25 type of property; or

1 “(IV) for multi-unit structures
2 only, the outstanding principal bal-
3 ance of the loan.

4 “(B) LOANS AND INSURED AND GUARAN-
5 TEED LOANS.—If the financial assistance de-
6 scribed in paragraph (1) is in the form of a
7 loan or an insurance or guaranty of a loan,
8 flood insurance need not be required beyond the
9 term of the loan.

10 “(C) TERM GENERALLY.—The require-
11 ment of maintaining flood insurance under
12 paragraph (1) shall apply during the life of the
13 property, regardless of transfer of ownership of
14 the property.”.

15 (B) MORTGAGE LOANS.—Section 102(b) of
16 the Flood Disaster Protection Act of 1973 (42
17 U.S.C. 4012a(b)) is amended—

18 (i) by striking paragraphs (1) through
19 (5) and inserting the following:

20 “(1) REGULATED LENDING INSTITUTIONS.—

21 “(A) IN GENERAL.—Each Federal entity
22 for lending regulation (after consultation and
23 coordination with the Financial Institutions Ex-
24 amination Council established under section
25 1004 of the Federal Financial Institutions Ex-

1 amination Council Act of 1974 (12 U.S.C.
2 3303)) shall by regulation direct regulated lend-
3 ing institutions not to make, increase, extend,
4 or renew any loan secured by improved real es-
5 tate or a mobile home located or to be located
6 in an area that has been identified by the Ad-
7 ministrators as an area having special flood haz-
8 ards and in which flood insurance has been
9 made available under the National Flood Insur-
10 ance Act of 1968 (42 U.S.C. 4001 et seq.), un-
11 less the building or mobile home and any per-
12 sonal property securing the loan is covered for
13 the term of the loan by flood insurance in an
14 amount described in subparagraph (B).

15 “(B) AMOUNT.—The amount of flood in-
16 surance required under subparagraph (A)—

17 “(i) in the case of Federal flood insur-
18 ance, shall be not less than the lesser of—

19 “(I) 80 percent of the purchase
20 price of the property;

21 “(II) the maximum limit of Fed-
22 eral flood insurance coverage made
23 available with respect to the particular
24 type of property; or

1 “(III) for multi-unit structures
2 only, the outstanding principal bal-
3 ance of the loan; or

4 “(ii) in the case of private flood insur-
5 ance, shall be not less than the lesser of—

6 “(I) 80 percent of the purchase
7 price of the property;

8 “(II) the maximum limit of Fed-
9 eral flood insurance coverage made
10 available with respect to the particular
11 type of property; or

12 “(III) for multi-unit structures
13 only, the outstanding principal bal-
14 ance of the loan.

15 “(2) FEDERAL AGENCY LENDERS.—

16 “(A) IN GENERAL.—

17 “(i) INSURANCE REQUIRED.—A Fed-
18 eral agency lender may not make, increase,
19 extend, or renew any loan secured by im-
20 proved real estate or a mobile home located
21 or to be located in an area that has been
22 identified by the Administrator as an area
23 having special flood hazards and in which
24 flood insurance has been made available
25 under the National Flood Insurance Act of

1 1968 (42 U.S.C. 4001 et seq.), unless the
2 building or mobile home and any personal
3 property securing the loan is covered for
4 the term of the loan by flood insurance in
5 accordance with paragraph (1).

6 “(ii) REGULATIONS.—

7 “(I) IN GENERAL.—Each Federal
8 agency lender may issue any regula-
9 tions necessary to carry out this para-
10 graph.

11 “(II) CONSISTENCY.—Any regu-
12 lations issued under subelause (I)
13 shall be consistent with and substan-
14 tially identical to any regulations
15 issued under paragraph (1).

16 “(B) REQUIREMENT TO ACCEPT FLOOD IN-
17 SURANCE.—Each Federal agency lender shall
18 accept flood insurance as satisfaction of the
19 flood insurance coverage requirement under
20 subparagraph (A)(i) if the flood insurance cov-
21 erage meets the requirements for coverage
22 under that subparagraph.

23 “(3) GOVERNMENT-SPONSORED ENTERPRISES
24 FOR HOUSING.—

1 “(A) IMPLEMENTATION OF PROCE-
2 DURES.—

3 “(i) REQUIREMENT.—The Federal
4 National Mortgage Association and the
5 Federal Home Loan Mortgage Corporation
6 shall implement procedures reasonably de-
7 signed to ensure that, for any loan de-
8 scribed in clause (ii) that is purchased or
9 guaranteed by such entity, the building or
10 mobile home and any personal property se-
11 curing the loan is covered for the term of
12 the loan by flood insurance in the amount
13 provided in paragraph (1)(B).

14 “(ii) SECURED LOAN.—A loan de-
15 scribed in this clause is a loan secured by
16 improved real estate or a mobile home lo-
17 cated in an area—

18 “(I) that has been identified, at
19 the time of the origination of the loan
20 or at any time during the term of the
21 loan, by the Administrator as an area
22 having special flood hazards; and

23 “(II) in which flood insurance is
24 made available under the National

1 Flood Insurance Act of 1968 (42
2 U.S.C. 4001 et seq.).

3 “(B) ACCEPTABLE INSURANCE.—Subject
4 to subparagraph (C), the Federal National
5 Mortgage Association and the Federal Home
6 Loan Mortgage Corporation shall accept flood
7 insurance as satisfaction of the flood insurance
8 coverage requirement under paragraph (1) if
9 the flood insurance coverage provided meets the
10 requirements for coverage under that paragraph
11 and any requirements established by the Fed-
12 eral National Mortgage Association or the Fed-
13 eral Home Loan Corporation, respectively, re-
14 lating to the financial strength of private insur-
15 ance companies from which the Federal Na-
16 tional Mortgage Association or the Federal
17 Home Loan Mortgage Corporation will accept
18 private flood insurance.

19 “(C) RELATION TO STATE LAW.—A re-
20 quirement described in subparagraph (B) may
21 not affect or conflict with any State law, regula-
22 tion, or procedure concerning the regulation of
23 the business of insurance.

24 “(4) APPLICABILITY.—

1 “(A) EXISTING COVERAGE.—Except as
2 provided in subparagraph (B), paragraph (1)
3 shall apply on the date of enactment of the Rie-
4 gle Community Development and Regulatory
5 Improvement Act of 1994 (12 U.S.C. 4701 et
6 seq.).

7 “(B) NEW COVERAGE.—Paragraphs (2)
8 and (3) shall apply only with respect to any
9 loan made, increased, extended, or renewed
10 after the expiration of the 1-year period begin-
11 ning on the date of enactment of the Riegle
12 Community Development and Regulatory Im-
13 provement Act of 1994 (12 U.S.C. 4701 et
14 seq.). Paragraph (1) shall apply with respect to
15 any loan made, increased, extended, or renewed
16 by any lender supervised by the Farm Credit
17 Administration only after the expiration of the
18 period under this subparagraph.

19 “(C) CONTINUED EFFECT OF REGULA-
20 TIONS.—Notwithstanding any other provision of
21 this subsection, the regulations to carry out
22 paragraph (1), as in effect immediately before
23 the date of enactment of the Riegle Community
24 Development and Regulatory Improvement Act
25 of 1994 (12 U.S.C. 4701 et seq.), shall con-

1 tinue to apply until the regulations issued to
2 carry out paragraph (1), as amended by section
3 522(a) of such Act, take effect.

4 “(5) RULE OF CONSTRUCTION.—

5 “(A) IN GENERAL.—Subject to subpara-
6 graph (B), nothing in this subsection shall be
7 construed to supersede or limit the authority of
8 a Federal entity for lending regulation, the
9 Federal Housing Finance Agency, a Federal
10 agency lender, the Federal National Mortgage
11 Association, or the Federal Home Loan Mort-
12 gage Corporation to establish requirements re-
13 lating to the financial strength of private insur-
14 ance companies from which the entity or agency
15 will accept private flood insurance.

16 “(B) RELATION TO STATE LAW.—A re-
17 quirement described in subparagraph (A) may
18 not affect or conflict with any State law, regula-
19 tion, or procedure concerning the regulation of
20 the business of insurance.”; and

21 (ii) by striking paragraph (7) and in-
22 serting the following:

23 “(7) DEFINITIONS.—In this section:

24 “(A) FEDERAL FLOOD INSURANCE.—The
25 term ‘Federal flood insurance’ means an insur-

1 ance policy made available under the National
2 Flood Insurance Act of 1968 (42 U.S.C. 4001
3 et seq.).

4 “(B) FLOOD INSURANCE.—The term ‘flood
5 insurance’ means—

6 “(i) Federal flood insurance; and

7 “(ii) private flood insurance.

8 “(C) PRIVATE FLOOD INSURANCE.—The
9 term ‘private flood insurance’ means an insur-
10 ance policy that—

11 “(i) is issued by an insurance com-
12 pany that is—

13 “(I) licensed, admitted, or other-
14 wise approved to engage in the busi-
15 ness of insurance in the State in
16 which the insured building is located,
17 by the insurance regulator of that
18 State; or

19 “(II) eligible as a nonadmitted
20 insurer to provide insurance in the
21 home State of the insured, in accord-
22 ance with sections 521 through 527 of
23 the Nonadmitted and Reinsurance Re-
24 form Act of 2010 (15 U.S.C. 8201
25 through 8206);

1 “(ii) is issued by an insurance com-
 2 pany that is not otherwise disapproved as
 3 a surplus lines insurer by the insurance
 4 regulator of the State in which the prop-
 5 erty to be insured is located; and

6 “(iii) provides flood insurance cov-
 7 erage that complies with the laws and reg-
 8 ulations of that State.

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

14 (2) EFFECT OF PRIVATE FLOOD INSURANCE
 15 COVERAGE ON CONTINUOUS COVERAGE REQUIRE-
 16 MENTS.—Section 1308 of the National Flood Insur-
 17 ance Act of 1968 (42 U.S.C. 4015) is amended by
 18 adding at the end the following:

19 “(n) EFFECT OF PRIVATE FLOOD INSURANCE COV-
 20 ERAGE ON CONTINUOUS COVERAGE REQUIREMENTS.—
 21 For purposes of applying any statutory, regulatory, or ad-
 22 ministrative continuous coverage requirement, including
 23 under section 1307(g)(1), the Administrator shall consider
 24 any period during which a property was continuously cov-

1 ered by private flood insurance to be a period of contin-
2 uous coverage.”.

3 (b) REPORT ON LEVEL OF PERCEIVED ADVERSE SE-
4 LECTION.—Not later than 2 years after the date of enact-
5 ment of this Act, the Administrator shall submit to Con-
6 gress a report on the extent to which, of the properties
7 that are required to satisfy the mandatory purchase re-
8 quirement, the properties for which private flood insurance
9 is purchased tend to be at a lower risk of flooding than
10 the properties for which Federal flood insurance is pur-
11 chased (commonly referred to as “adverse selection”), by
12 detailing risk classifications of private flood insurance
13 policies.

14 **SEC. 402. PROVISION OF PRIVATE FLOOD INSURANCE BY**
15 **WRITE YOUR OWN COMPANIES.**

16 (a) TEMPORARY AUTHORITY FOR PROVISION OF PRI-
17 VATE FLOOD INSURANCE BY WRITE YOUR OWN COMPA-
18 NIES FOR CERTAIN PROPERTIES.—During the first 2
19 years beginning after the date of enactment of this Act,
20 the Administrator may not prohibit a Write Your Own
21 company from offering or selling private flood insurance
22 outside of the Write Your Own Program for properties
23 that are described in subparagraphs (A) through (D) of
24 section 1307(a)(2) of the National Flood Insurance Act
25 of 1968 (42 U.S.C. 4014(a)(2)).

1 (b) AUTHORITY FOR EXPANDED PROVISION OF PRI-
2 VATE FLOOD INSURANCE BY WRITE YOUR OWN COMPA-
3 NIES.—On and after January 1 of the third year begin-
4 ning after the date of enactment of this Act, if the Admin-
5 istrator determines, based on the report required under
6 subsection (d)(1) and any other independent data avail-
7 able, that the provision of private flood insurance by a
8 Write Your Own company—

9 (1) to properties in addition to the properties
10 described in subsection (a) will not adversely impact
11 the ability of the National Flood Insurance Program
12 to maintain a diverse risk pool, the Administrator
13 may waive any remaining restriction, under a Fed-
14 eral statute or regulation, on the ability of a Write
15 Your Own company to offer or sell private flood in-
16 surance outside the Write Your Own Program, if the
17 Administrator promulgates regulations to ensure a
18 diverse risk pool for Write Your Own companies that
19 are competing with the National Flood Insurance
20 Program; or

21 (2) is a deterrent to the National Flood Insur-
22 ance Program maintaining a diverse risk pool of
23 policies, the Administrator may place further restric-
24 tions on the ability of a Write Your Own company
25 to offer or sell private flood insurance.

1 (c) WYO ARRANGEMENT.—The Administrator shall
2 amend article XIII of the WYO Company Financial As-
3 sistance/Subsidy Arrangement as necessary to implement
4 subsections (a) and (b).

5 (d) REPORTS.—

6 (1) INITIAL REPORT.—Not later than the last
7 day of the 2-year period described in subsection (a),
8 the Administrator shall submit to Congress a report
9 detailing the risk classifications of properties for
10 which private flood insurance was sold and under-
11 written by Write Your Own companies during that
12 2-year period.

13 (2) ADDITIONAL REPORT.—Not later than 5
14 years after the date on which the report is required
15 to be submitted under paragraph (1), the Adminis-
16 trator shall submit to Congress a report detailing
17 the risk classifications of properties for which pri-
18 vate flood insurance was sold and underwritten by
19 Write Your Own companies during that 5-year pe-
20 riod.

21 **SEC. 403. AVAILABILITY OF NFIP CLAIMS DATA.**

22 (a) STUDY REQUIRED.—

23 (1) IN GENERAL.—The Administrator shall
24 study the feasibility of selling or licensing the use of
25 historical structure-specific National Flood Insur-

1 ance Program claims data (referred to in this sec-
2 tion as “covered claims data”) to nongovernmental
3 entities.

4 (2) CONTENTS.—In conducting the study re-
5 quired under paragraph (1), the Administrator shall,
6 at a minimum—

7 (A) investigate one or more methods of
8 providing the most specific covered claims data
9 possible while reasonably protecting policyholder
10 privacy;

11 (B) review existing means, as of the date
12 of enactment of this Act, by which the Federal
13 Government provides leases or licenses to pri-
14 vate persons, and the various regulations,
15 terms, conditions, and guidance employed;

16 (C) identify potential uses for covered
17 claims data, any known risks concerning those
18 uses, and ways to mitigate or eliminate the
19 risks;

20 (D) identify mechanisms for determining
21 the likely market value for access to covered
22 claims data; and

23 (E) recommend actions the Administrator
24 could take, if any, to prevent unintended con-
25 sequences associated with the sale or licensing

1 for private insurance purposes covered claims
2 data.

3 (b) REPORT BY ADMINISTRATOR.—

4 (1) REPORT REQUIRED.—Not later than 1 year
5 after the date of enactment of this Act, the Adminis-
6 trator shall submit to the Committee on Banking,
7 Housing, and Urban Affairs of the Senate and the
8 Committee on Financial Services of the House of
9 Representatives a report that contains the results
10 and conclusions of the study conducted under sub-
11 section (a) (referred to in this subsection as “the
12 study”).

13 (2) CONTENTS.—The report submitted under
14 paragraph (1) shall include—

15 (A) an analysis of—

16 (i) the recommendations of the study;

17 and

18 (ii) the potential for covered claims
19 data to increase the number of individuals
20 insured against the peril of flood, to reduce
21 the amount of debt the National Flood In-
22 surance Program is required to service, or
23 both;

1 (B) a description of actions taken by the
2 Administrator to implement any of the rec-
3 ommendations of the study; and

4 (C) any recommendations of the study
5 that, as of the date on which the report is sub-
6 mitted, have been deferred or not acted upon,
7 together with an explanatory statement.

8 (c) AUTHORIZATION TO SELL OR LICENSE CLAIMS
9 DATA.—

10 (1) AMENDMENTS.—

11 (A) IN GENERAL.—Section 1313 of the
12 National Flood Insurance Act of 1968 (42
13 U.S.C. 4020) is amended—

14 (i) by striking “The Administrator”
15 and inserting the following:

16 “(a) IN GENERAL.—The Administrator”; and

17 (ii) by adding at the following:

18 “(b) SELLING OR LICENSING OF CLAIMS DATA.—

19 “(1) IN GENERAL.—The Administrator may sell
20 or license the use of historical structure-specific
21 claims data obtained and maintained by the Na-
22 tional Flood Insurance Program (referred to in this
23 subsection as ‘covered claims data’) to nongovern-
24 mental entities as the Administrator determines is
25 appropriate and in the public interest.

1 “(2) RULES, PROCEDURES.—The Administrator
2 may adopt rules, terms, conditions, policies, and pro-
3 cedures concerning—

4 “(A) the selling or licensing of covered
5 claims data; and

6 “(B) the use, protection, and maintenance
7 of covered claims data by nongovernmental en-
8 tities.

9 “(3) PROCEEDS.—The Administrator shall de-
10 posit the proceeds from selling or licensing covered
11 claims data under this subsection in the National
12 Flood Insurance Fund.”.

13 (B) FUNDING.—Section 1310 of the Na-
14 tional Flood Insurance Act of 1968 (42 U.S.C.
15 4017) is amended—

16 (i) in subsection (a)—

17 (I) in paragraph (7), by striking
18 “and” at the end;

19 (II) in paragraph (8), by striking
20 the period at the end and inserting “;
21 and”; and

22 (III) by adding at the end the
23 following:

24 “(9) for carrying out section 1313.”; and

25 (ii) in subsection (b)—

- 1 (I) in paragraph (5), by striking
2 “and” at the end;
3 (II) by redesignating paragraph
4 (6) as paragraph (7); and
5 (III) by inserting after paragraph
6 (5) the following:

7 “(6) proceeds from the sale or licensing of his-
8 torical structure-specific claims data, as authorized
9 under section 1313(b); and”.

10 (2) EFFECTIVE DATE.—

11 (A) IN GENERAL.—Except as provided in
12 subparagraph (B), the amendments made by
13 paragraph (1) shall take effect on the date on
14 which the Administrator publishes in the Fed-
15 eral Register a certification that the Adminis-
16 trator has—

17 (i) submitted the report required
18 under subsection (b);

19 (ii) determined that it is legally and
20 practically feasible to implement a program
21 to sell or license the use of covered claims
22 data to nongovernmental entities; and

23 (iii) determined that a program de-
24 scribed in subparagraph (B) would be in
25 the public interest.

1 (B) CREDITS TO FUND.—The amendment
2 made by clause (ii) of paragraph (1)(B) shall
3 take effect on the date of enactment of this Act.

4 **SEC. 404. FEES AND SURCHARGES FOR PRIVATE FLOOD IN-**
5 **SURANCE POLICIES.**

6 (a) SURCHARGES.—Section 1308A(a) of the National
7 Flood Insurance Act of 1968 (42 U.S.C. 4015a(a)) is
8 amended—

9 (1) by striking “The Administrator” and insert-
10 ing the following:

11 “(1) COLLECTION ON NFIP POLICIES.—The Ad-
12 ministrator”; and

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

14 “(2) COLLECTION ON PRIVATE POLICIES.—

15 “(A) IN GENERAL.—An insurance com-
16 pany that issues a policy for private flood insur-
17 ance shall impose and collect an annual sur-
18 charge, in the amount provided in subsection
19 (b), on a private flood insurance policy.

20 “(B) IN ADDITION TO INCREASED COST OF
21 COMPLIANCE SURCHARGE.—The surcharge im-
22 posed under subparagraph (A) shall be in addi-
23 tion to the surcharge imposed under section
24 1304(c) and any other assessments and sur-
25 charges applied to such coverage.

1 “(C) FEDERAL EQUIVALENCY FEE PAY-
2 ABLE TO ADMINISTRATOR.—Not later than 180
3 days after the date on which an insurance com-
4 pany collects a surcharge under subparagraph
5 (A), the insurance company shall transfer the
6 amount of the surcharge to the Administrator,
7 who shall deposit the amount in the National
8 Flood Insurance Fund established under section
9 1310.

10 “(D) INFORMATION.—The Administrator
11 may require the provision of such information
12 as the Administrator decides is necessary to
13 verify that a surcharge imposed and collected
14 under subparagraph (A) has been imposed and
15 collected at the proper time and in the proper
16 amount.

17 “(E) COST OF COLLECTING SURCHARGE.—
18 No portion of the surcharge collected under
19 subparagraph (A) may be retained by the insur-
20 ance company for the costs of collecting, han-
21 dling, or remitting the surcharge except for in-
22 terest accruing to the company after collection
23 and before remittance.”.

1 (b) FEDERAL POLICY FEE.—Section 1307(a) of the
2 National Flood Insurance Act of 1968 (42 U.S.C.
3 4014(a)) is amended—

4 (1) in paragraph (1)(B)(iii), by striking “shall
5 be recovered by” and all that follows and inserting
6 “shall be recovered—

7 “(I) in the case of a policy under
8 the national flood insurance program,
9 by a fee that—

10 “(aa) shall be charged to
11 policyholders; and

12 “(bb) shall not be subject to
13 any agents’ commissions, com-
14 pany expense allowances, or
15 State or local premium taxes;
16 and

17 “(II) in the case of a private
18 flood insurance policy, by a fee—

19 “(aa) that shall be—

20 “(AA) charged to pol-
21 icyholders;

22 “(BB) collected by the
23 insurance company that
24 issued the policy; and

1 “(CC) transferred, not
2 later than 180 days after
3 the date on which the fee is
4 collected, to the Adminis-
5 trator, who shall deposit the
6 amount of the fee in the Na-
7 tional Flood Insurance Fund
8 established under section
9 1310;

10 “(bb) that shall not be sub-
11 ject to any agents’ commissions,
12 company expense allowances, or
13 State or local premium taxes;
14 and

15 “(cc) with respect to
16 which—

17 “(AA) the Adminis-
18 trator may require the provi-
19 sion of such information as
20 the Administrator decides is
21 necessary to verify that the
22 fee has been imposed and
23 collected at the proper time
24 and in the proper amount;
25 and

1 “(BB) no portion may
 2 be retained by the insurance
 3 company that collected the
 4 fee for the costs of col-
 5 lecting, handling, or remit-
 6 ting the fee except for inter-
 7 est accruing to the company
 8 after collection and before
 9 remittance; and”;

10 (2) in paragraph (2), in the matter preceding
 11 subparagraph (A), by inserting “, including a fee
 12 charged to policyholders of private flood insurance in
 13 a manner that is consistent with paragraph
 14 (1)(B)(iii)(II),” after “policyholders”.

15 (c) INCREASED COST OF COMPLIANCE COVERAGE
 16 UNDER PRIVATE POLICIES.—Section 102(b)(7)(C) of the
 17 Flood Disaster Protection Act of 1973 (42 U.S.C.
 18 4012a(b)(7)(C)), as amended by section 401 of this Act,
 19 is amended—

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

21 (2) in clause (iii), by striking the period at the
 22 end and inserting “; and”;

23 (3) by adding at the end the following:

24 “(iv) provides ordinance and law cov-
 25 erage that meets or exceeds increased cost

1 of compliance coverage provided under a
2 standard flood insurance policy under the
3 national flood insurance program”.

4 (d) APPLICABILITY.—The amendments made by sub-
5 sections (a), (b), and (c) shall apply with respect to a pri-
6 vate flood insurance policy that is newly issued or renewed
7 after the date of enactment of this Act.

8 (e) TECHNICAL AND CONFORMING AMENDMENTS.—

9 (1) PREMIUM SURCHARGE.—Section
10 1308A(a)(1) of the National Flood Insurance Act of
11 1968 (42 U.S.C. 4015a(a)(1)), as so designated by
12 subsection (a)(1) of this section, is amended, in the
13 second sentence, by striking “section 1304(b)” and
14 inserting “section 1304(c)”.

15 (2) NATIONAL FLOOD INSURANCE FUND.—Sec-
16 tion 1310(b) of the National Flood Insurance Act of
17 1968 (42 U.S.C. 4017(b)), as amended by section
18 403(c)(1)(B)(ii) of this Act, is amended—

19 (A) in paragraph (6), as so designated, by
20 striking “and” at the end;

21 (B) by redesignating paragraph (7) as
22 paragraph (9); and

23 (C) by inserting after paragraph (6) the
24 following:

1 “(7) surcharges collected under section
2 1308A(a)(2);

3 “(8) fees collected under section
4 1307(a)(1)(B)(iii); and”.

5 **SEC. 405. WRITE YOUR OWN RISK SHARING PILOT PRO-**
6 **GRAM.**

7 (a) DEFINITION.—In this section—

8 (1) the term “excess flood insurance policy”
9 means a flood insurance policy sold under the Pilot
10 Program; and

11 (2) the term “Pilot Program” means the Write
12 Your Own Risk Sharing Pilot Program established
13 under subsection (b).

14 (b) ESTABLISHMENT.—The Administrator shall es-
15 tablish and conduct a pilot program under the National
16 Flood Insurance Program, to be known as the “Write
17 Your Own Risk Sharing Pilot Program”, to make avail-
18 able a flood insurance policy applying only to loss or dam-
19 age in excess of not less than \$50,000 for sale by Write
20 Your Own companies that agree to participate in the Pilot
21 Program.

22 (c) ELIGIBILITY TO PARTICIPATE IN PILOT PRO-
23 GRAM.—The Administrator may establish terms, condi-
24 tions, and eligibility criteria for Write Your Own compa-
25 nies participating in the Pilot Program.

1 (d) TERMS AND CONDITIONS OF EXCESS FLOOD
2 POLICY.—

3 (1) CHARGEABLE RATES.—The chargeable rate
4 for an excess flood insurance policy sold in an area
5 (or subdivision thereof) shall be not less than the ap-
6 plicable estimated risk premium rate for the area (or
7 subdivision thereof) under section 1307(a)(1) of the
8 National Flood Insurance Act of 1968 (42 U.S.C.
9 4014(a)(1)).

10 (2) APPLICATION OF SURCHARGES AND
11 FEES.—Any surcharge or fee, with respect to an ex-
12 cess flood insurance policy, charged to a policyholder
13 participating in the Pilot Program for a period shall
14 be reduced by the amount of any surcharge for a
15 private flood insurance policy under section
16 1308A(a)(2) of the National Flood Insurance Act of
17 1968 (42 U.S.C. 4015a(a)(2)) (as added by section
18 404) or fee for a private flood insurance policy
19 under section 1307(a)(1)(B)(iii) of that Act (42
20 U.S.C. 4014(a)(1)(B)(iii)) (as amended by section
21 404), respectively, paid by the policyholder for cov-
22 erage during the same period.

23 (3) TERMS AND CONDITIONS OF INSURANCE.—

24 (A) IN GENERAL.—An excess flood insur-
25 ance policy shall have the same coverages, ex-

1 clusions, and limitations as the Standard Flood
2 Insurance Policy insofar as the Policy relates to
3 the requirements of this section.

4 (B) COVERAGES AMOUNTS.—Coverage
5 amounts for an excess flood insurance policy
6 shall not exceed the coverage amounts estab-
7 lished under section 1306(b) of the National
8 Flood Insurance Act of 1968 (42 U.S.C.
9 4013(b)).

10 (4) UNDERLYING POLICY REQUIREMENT.—An
11 excess flood insurance policy sold under the Pilot
12 Program shall require the insured to carry primary
13 flood insurance that—

14 (A) provides a maximum coverage limit of
15 not less than \$50,000;

16 (B) is issued by a Write Your Own com-
17 pany; and

18 (C) complies with any other conditions
19 adopted by the Administrator.

20 (e) AUTHORITY.—The Administrator shall carry out
21 the Pilot Program as authorized by and in accordance
22 with the National Flood Insurance Act of 1968 (42 U.S.C.
23 4001 et seq.) insofar as that Act relates to this section,
24 subject to the modifications made by this section.

1 (f) IMPLEMENTATION.—The Administrator shall
2 make policies available for sale to the public under the
3 Pilot Program not later than 18 months after the date
4 of enactment of this Act.

5 (g) SUNSET.—The Administrator may not issue or
6 renew contracts for flood insurance under the Pilot Pro-
7 gram—

8 (1) on and after the date is 5 years after the
9 date contracts for flood insurance under this section
10 are made available for purchase; and

11 (2) at any time after the expiration of the Na-
12 tional Flood Insurance Program under section 1319
13 of the National Flood Insurance Act of 1968 (42
14 U.S.C. 4026).

15 (h) REPORT.—Not later than 180 days after the date
16 on which the authority for the Pilot Program terminates
17 under subsection (g), the Administrator shall submit to
18 Congress a report on—

19 (1) the aggregate amount of premiums, sur-
20 charges, and fees charged under the Pilot Program;
21 and

22 (2) claims loss data experienced by the Write
23 Your Own companies participating in the Pilot Pro-
24 gram and the National Flood Insurance Program on
25 policies sold under the Pilot Program.

1 **TITLE V—MODERNIZING FLOOD**
2 **MAPPING AND FLOOD RISK**
3 **ACCURACY**

4 **SEC. 501. REAUTHORIZATION OF NATIONAL FLOOD MAP-**
5 **PING PROGRAM.**

6 Section 100216(f) of the Biggert-Waters Flood In-
7 surance Reform Act of 2012 (42 U.S.C. 4101b(f)) is
8 amended—

9 (1) by striking “to carry out this section
10 \$400,000,000” and inserting the following: “to carry
11 out this section—

12 “(1) \$400,000,000”; and

13 (2) by striking the period at the end and insert-
14 ing the following: “; and

15 “(2) \$500,000,000 for each of fiscal years 2018
16 through 2027.”.

17 **SEC. 502. MAPPING STANDARDS AND GUIDELINES FOR**
18 **NONGOVERNMENTAL ENTITIES.**

19 Section 100215 of the Biggert-Waters Flood Insur-
20 ance Reform Act of 2012 (42 U.S.C. 4101a) is amended
21 by adding at the end the following:

22 “(m) PRIVATE OR COMMUNITY FLOOD MAPS.—

23 “(1) STANDARDS AND PROCEDURES.—In addi-
24 tion to the other duties of the Council under this
25 section, not later than 1 year after the date of enact-

1 ment of this subsection, the Council shall develop
2 and establish a set of standards, guidelines, and pro-
3 cedures for—

4 “(A) State and local governments, feder-
5 ally or State-recognized metropolitan planning
6 organizations (commonly known as ‘MPOs’),
7 federally or State-recognized councils of local
8 governments, and federally or State-recognized
9 rural transportation planning organizations to
10 use in mapping flood risks and developing alter-
11 native maps to the flood insurance rate maps
12 developed by the Administrator; and

13 “(B) certification, by the Administrator
14 not later than 90 days after the date on which
15 a map developed under subparagraph (A) is
16 submitted to the Administrator, for use under
17 the National Flood Insurance Program in the
18 case of any area covered by a flood insurance
19 rate map developed or approved by the Admin-
20 istrator that has not been updated or reissued
21 during the preceding 3-year period.

22 “(2) TREATMENT.—On and after the date on
23 which the Administrator certifies a map under para-
24 graph (1)(B), the map—

1 (1) in subparagraph (A)(i), by inserting “sub-
2 ject to subparagraph (D),” before “all populated
3 areas”;

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

6 (3) in subparagraph (C), by striking the period
7 at the end and inserting the following: “, including
8 by facilitating, partnering with other Federal, State,
9 and local agencies with respect to, and leveraging
10 the efficient acquisition of the most up-to-date high-
11 resolution topographic data, such as Light Detection
12 and Ranging (commonly known as ‘LiDAR’) data
13 and other new and emerging technologies; and”;

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

15 “(D) establish standards that may be used
16 as the basis for insurance rating purposes to
17 identify multi-frequency flood hazards and flood
18 hazard information that appropriately charac-
19 terizes the nature of flooding for areas subject
20 to a mapping update, including by using the
21 most up-to-date high-resolution topographic
22 data as required under subparagraph (C), in
23 order to reduce flood risk and improve the accu-
24 racy of National Flood Insurance Program rate
25 maps.”.

1 (b) REPORT.—Not later than 180 days after the date
2 of enactment of this Act, the Administrator shall submit
3 to Congress a report on compliance by the Administrator
4 with the requirement under subparagraphs (C) and (D)
5 of section 100216(b)(1) of the Biggert-Waters Flood In-
6 surance Reform Act of 2012 (42 U.S.C. 4101b(b)(1)), as
7 amended by subsection (a), to use the most up-to-date
8 high-resolution topographic data and multi-frequency
9 flood hazards in order to reduce flood risk and improve
10 the accuracy of National Flood Insurance Program rate
11 maps.

12 **SEC. 504. PROTECTED AREAS.**

13 Section 100216(b) of the Biggert-Waters Flood In-
14 surance Reform Act of 2012 (42 U.S.C. 4101b(b)) is
15 amended by adding at the end the following:

16 “(4) ZONES PROTECTED BY LEVEE SYSTEMS.—

17 “(A) APPLICABILITY.—Subject to full im-
18 plementation of this section, and notwith-
19 standing any other provision of law, this para-
20 graph shall apply to a community in which the
21 Administrator maps or re-maps a levee-im-
22 pacted area in which the pertinent levee system
23 fails to meet the minimum design, operation,
24 and maintenance standards of the National
25 Flood Insurance Program required for levee ac-

1 creditation on a National Flood Insurance Pro-
2 gram rate map.

3 “(B) AL ZONES.—For levee-impacted
4 areas described in subparagraph (A), the Ad-
5 ministrator shall establish flood risk zones
6 known as ‘AL Zones’ on the National Flood In-
7 surance Program rate map.

8 “(C) ACTUARIAL RATES.—

9 “(i) IN GENERAL.—The Administrator
10 shall make available flood insurance to
11 properties in AL Zones at actuarial rates
12 based upon the risk associated with struc-
13 tures within the applicable AL zone.

14 “(ii) TEMPORARY RATES.—Until the
15 Administrator promulgates actuarial rates
16 for the various AL zones, a structure with-
17 in a portion of a community located within
18 a levee-impacted area described in sub-
19 paragraph (A) shall be eligible for rates as-
20 sociated with areas of moderate flood haz-
21 ards (also known as ‘Standard X zone’
22 rates).”.

23 **SEC. 505. COASTAL FLOOD MODELS.**

24 Section 100216(b) of the Biggert-Waters Flood In-
25 surance Reform Act of 2012 (42 U.S.C. 4101b(b)), as

1 amended by section 504, is amended by adding at the end
2 the following:

3 “(5) COASTAL FLOOD MODELS.—In updating
4 maps under this section, the Administrator shall use
5 coastal flood models that ensure technically and sci-
6 entifically accurate modeling to represent and com-
7 municate flood risk.”.

8 **TITLE VI—ENHANCING NA-**
9 **TIONAL FLOOD INSURANCE**
10 **PROGRAM TRANSPARENCY**
11 **AND ACCOUNTABILITY**

12 **SEC. 601. DEADLINE FOR APPROVAL OF CLAIMS.**

13 (a) IN GENERAL.—Section 1312 of the National
14 Flood Insurance Act of 1968 (42 U.S.C. 4019), as amend-
15 ed by section 205, is amended by adding at the end the
16 following:

17 “(e) DEADLINE FOR APPROVAL OF CLAIMS.—

18 “(1) IN GENERAL.—Not later than 30 days
19 after the submission of a proof of loss, the Adminis-
20 trator shall notify the insured regarding the ap-
21 proval or disapproval of the claim.

22 “(2) EXTENSION OF CLAIM DETERMINATION
23 DEADLINE.—The Administrator may extend the
24 deadline under paragraph (1) by a single additional
25 15-day period under extraordinary circumstances, as

1 determined according to criteria adopted by the Ad-
2 ministrator.

3 “(3) PAYMENT OF CLAIMS.—The Administrator
4 shall make payment for an approved claim as soon
5 as possible after approval of the claim.

6 “(f) NOTIFICATION AND PROOFS OF LOSS.—

7 “(1) IN GENERAL.—A flood insurance claim
8 filed under this title for damage to or loss of prop-
9 erty may not be denied based on the proof of loss
10 requirements of the standard flood insurance policy
11 under the national flood insurance program if the
12 policyholder—

13 “(A) provides notice of the claim not later
14 than 60 days after the date of the occurrence
15 of the loss; and

16 “(B) complies with the remaining proof of
17 loss requirements under the standard flood in-
18 surance policy not later than—

19 “(i) 180 days after the date of the oc-
20 currence of the loss; or

21 “(ii) any later date specified by the
22 Administrator.

23 “(2) SUPPLEMENTAL PROOF OF LOSS.—A pol-
24 icyholder may amend or supplement a proof of loss

1 not later than 180 days after the date on which the
2 policyholder submits the initial proof of loss.”.

3 (b) APPLICABILITY.—The amendment made by sub-
4 section (a) shall apply to any claim for damage to or loss
5 of property covered by flood insurance made available
6 under the National Flood Insurance Act of 1968 (42
7 U.S.C. 4001 et seq.) that is pending on, or made after,
8 the date of enactment of this Act.

9 **SEC. 602. FLOOD INSURANCE TRANSPARENCY, ACCOUNT-**
10 **ABILITY, AND REFORM.**

11 (a) REPORTS AND OTHER CLAIM-RELATED DOCU-
12 MENTS.—Section 1312 of the National Flood Insurance
13 Act of 1968 (42 U.S.C. 4019), as amended by section 601,
14 is amended by adding at the end the following:

15 “(f) FINAL ENGINEERING REPORTS.—The Adminis-
16 trator shall require that, in the case of any on-site inspec-
17 tion of a property by an engineer for the purpose of assess-
18 ing any claim for losses covered by a policy for flood insur-
19 ance coverage provided under this title (referred to in this
20 subsection as a ‘covered claim’), the final engineering re-
21 port shall be provided to the insured under the policy, as
22 follows:

23 “(1) TIMING.—The final engineering report
24 may not be transmitted to any other person, em-

1 ployer, agency, or entity, before it is transmitted to
2 the insured.

3 “(2) PROHIBITION ON ALTERATIONS; CERTIFI-
4 CATION.—The final engineering report—

5 “(A) shall be true, complete, and
6 unredacted;

7 “(B) may not include alterations by, or at
8 the request of, anyone other than the individual
9 with responsible charge for the report; and

10 “(C) shall include a certification, signed by
11 the individual with responsible charge for the
12 report, that the report does not contain any al-
13 terations described in subparagraph (B).

14 “(3) TRANSMITTAL.—

15 “(A) IN GENERAL.—The final engineering
16 report shall be transmitted to the insured in a
17 manner prescribed by the Administrator that
18 provides reasonable assurance that it was trans-
19 mitted directly to the insured by the individual
20 with responsible charge.

21 “(B) DIRECT DISCLOSURE.—A Write Your
22 Own company or direct servicing agent in pos-
23 session of a final engineering report subject to
24 disclosure under this subsection may transmit

1 the report to the insured without further review
2 or approval by the Administrator.

3 “(4) REPORTS COVERED.—For purposes of this
4 subsection, the term ‘final engineering report’ means
5 an engineering report, survey, or other document in
6 connection with the covered claim that—

7 “(A) is based on the on-site inspection;

8 “(B) contains final conclusions with re-
9 spect to an engineering issue or issues involved
10 in the claim; and

11 “(C) is signed by the individual with re-
12 sponsible charge or affixed with the seal of the
13 individual with responsible charge, or both.

14 “(g) CLAIMS ADJUSTMENT REPORTS.—The Adminis-
15 trator shall require that, in the case of any on-site inspec-
16 tion of a property by a claims adjustor for the purpose
17 of assessing any claim for losses covered by a policy for
18 flood insurance coverage provided under this title (referred
19 to in this subsection as a ‘covered claim’), any claims ad-
20 justment claims adjustment report shall be provided to the
21 insured under the policy, as follows:

22 “(1) TIMING.—The claims adjustment report
23 may not be transmitted to any other person, em-
24 ployer, agency, or entity, before it is transmitted to
25 the insured.

1 “(2) PROHIBITION ON ALTERATIONS; CERTIFI-
2 CATION.—The claims adjustment report—

3 “(A) shall be true, complete, and
4 unredacted;

5 “(B) may not include alterations by, or at
6 the request of, anyone other than the preparer
7 of the report; and

8 “(C) shall include a certification, signed by
9 the preparer, that the report does not contain
10 any alterations described in subparagraph (B).

11 “(3) TRANSMITTAL.—

12 “(A) IN GENERAL.—The claims adjust-
13 ment report shall be transmitted to the insured
14 in a manner prescribed by the Administrator
15 that provides reasonable assurance that it was
16 transmitted directly to the insured by the pre-
17 parer.

18 “(B) DIRECT DISCLOSURE.—A Write Your
19 Own company or direct servicing agent in pos-
20 session of a claims adjustment report subject to
21 disclosure under this subsection may transmit
22 the report to the insured without further review
23 or approval by the Administrator.

24 “(4) REPORTS COVERED.—For purposes of this
25 subsection, the term ‘claims adjustment report’—

1 “(A) means any report or document in
2 connection with the covered claim that is based
3 on the on-site inspection by the claims adjustor,
4 including any adjustment report and field re-
5 port;

6 “(B) includes any draft, preliminary
7 version, or copy of a report described in sub-
8 paragraph (A) and any amendments or addi-
9 tions to any such report; and

10 “(C) does not include a final engineering
11 report, as that term is defined for purposes of
12 subsection (e).

13 “(h) OTHER CLAIM-RELATED DOCUMENTS.—

14 “(1) DEFINITION OF CLAIM-RELATED DOCU-
15 MENT.—In this subsection, the term ‘claim-related
16 document’ means any document, other than a final
17 engineering report (as defined in subsection (e)) or
18 a claims adjustment report (as defined in subsection
19 (f)), that was prepared for the purposes of assessing
20 a claim for losses covered by flood insurance made
21 available under this title, including—

22 “(A) a repair and replacement estimate or
23 bid;

24 “(B) an appraisal;

25 “(C) a scope of loss;

1 “(D) a drawing;

2 “(E) a plan;

3 “(F) a report, including a draft report pre-
4 pared based on an on-site inspection of a prop-
5 erty conducted by a claims adjustor or engineer;

6 “(G) a third-party finding on the amount
7 of loss, amount of covered damage, or cost of
8 repairs; and

9 “(H) any other valuation, measurement, or
10 loss adjustment calculation of the amount of
11 loss, amount of covered damage, or cost of re-
12 pairs.

13 “(2) AVAILABILITY OF DOCUMENTS.—Any enti-
14 ty servicing a claim under the national flood insur-
15 ance program—

16 “(A) shall retain each claim-related docu-
17 ment prepared by or for the entity;

18 “(B) upon request by a claimant or an au-
19 thorized representative of a claimant, shall pro-
20 vide to the claimant or representative a copy of
21 any claim-related document described in sub-
22 paragraph (A) that pertains to the claimant;
23 and

24 “(C) not later than 30 days after receiving
25 notice of a claim, shall notify the claimant that

1 the claimant or an authorized representative of
2 the claimant may obtain, upon request, a copy
3 of any claim-related document described in sub-
4 paragraph (A) that pertains to the claimant.

5 “(i) USE OF CLAIM REPORTS.—

6 “(1) IN GENERAL.—When adjusting claims for
7 any damage to or loss of property covered by flood
8 insurance made available under this title, the Ad-
9 ministrator shall only rely upon final claim reports
10 that are prepared in compliance with applicable
11 State and Federal laws regarding professional licen-
12 sure and conduct.

13 “(2) NON-REIMBURSEMENT.—The Adminis-
14 trator may decline to reimburse a Write Your Own
15 company for claim reports not prepared in accord-
16 ance with paragraph (1).”.

17 (b) JUDICIAL REVIEW.—

18 (1) GOVERNMENT PROGRAM WITH INDUSTRY
19 ASSISTANCE.—Section 1341 of the National Flood
20 Insurance Act of 1968 (42 U.S.C. 4072) is amended
21 to read as follows:

22 **“SEC. 1341. ADJUSTMENT AND PAYMENT OF CLAIMS AND**
23 **JUDICIAL REVIEW.**

24 “(a) ADJUSTMENT AND PAYMENT OF CLAIMS.—If
25 the program is carried out as provided in section 1340,

1 the Administrator may adjust and make payment of any
2 claims for proved and approved losses covered by flood in-
3 surance.

4 “(b) JUDICIAL REVIEW.—Upon the disallowance or
5 partial disallowance by the Administrator of a claim de-
6 scribed in subsection (a), or upon the refusal of the claim-
7 ant to accept the amount allowed upon a claim described
8 in subsection (a)—

9 “(1) the claimant may institute an action
10 against the Administrator on the claim in the United
11 States district court for the district in which the in-
12 sured property or the major part thereof shall have
13 been situated—

14 “(A) not later than 2 years after the date
15 on which the claimant receives notice of dis-
16 allowance or partial disallowance of the claim;
17 or

18 “(B) in the case of a denial of a claim for
19 losses that is appealed to the Administrator, not
20 later than the later of—

21 “(i) 90 days after the date of a final
22 determination upon appeal denying the
23 claim in whole or in part; or

1 “(ii) 2 years after the date on which
2 the claimant receives notice of disallowance
3 or partial disallowance of the claim; and

4 “(2) a court described in paragraph (1) shall
5 have original exclusive jurisdiction to hear and deter-
6 mine the action without regard to the amount in
7 controversy.

8 “(c) PRIVATE RIGHTS OF ACTION.—Nothing in this
9 section, or in any regulation or policy implementing the
10 national flood insurance program, may be construed to
11 preclude a private right of action under any statute by
12 a policyholder against a private entity for fraud arising
13 from the handing or disposition of a claim for losses under
14 this title.”.

15 (2) INDUSTRY PROGRAM WITH FEDERAL FINAN-
16 CIAL ASSISTANCE.—Section 1333 of the National
17 Flood Insurance Act of 1968 (42 U.S.C. 4053) is
18 amended to read as follows:

19 **“SEC. 1333. ADJUSTMENT AND PAYMENT OF CLAIMS AND**
20 **JUDICIAL REVIEW.**

21 “(a) ADJUSTMENT AND PAYMENT OF CLAIMS.—The
22 insurance companies and other insurers that form, asso-
23 ciate, or otherwise join together in the pool under this part
24 may adjust and pay all claims for proved and approved

1 losses covered by flood insurance in accordance with the
2 provisions of this title.

3 “(b) JUDICIAL REVIEW.—Upon the disallowance or
4 partial disallowance by any company or other insurer de-
5 scribed in subsection (a) of a claim described in that sub-
6 section, or upon the refusal of the claimant to accept the
7 amount allowed upon a claim described in that sub-
8 section—

9 “(1) the claimant may institute an action on
10 the claim against the company or other insurer in
11 the United States district court for the district in
12 which the insured property or the major part thereof
13 shall have been situated—

14 “(A) not later than 2 years after the date
15 on which the claimant receives notice of dis-
16 allowance or partial disallowance of the claim;
17 or

18 “(B) in the case of a denial of a claim for
19 losses that is appealed to the Administrator, not
20 later than the later of—

21 “(i) 90 days after the date of a final
22 determination upon appeal denying the
23 claim in whole or in part; or

1 “(ii) 2 years after the date on which
2 the claimant receives notice of disallowance
3 or partial disallowance of the claim; and

4 “(2) a court described in paragraph (1) shall
5 have original exclusive jurisdiction to hear and deter-
6 mine the action without regard to the amount in
7 controversy.

8 “(c) PRIVATE RIGHTS OF ACTION.—Nothing in this
9 section, or in any regulation or policy implementing the
10 national flood insurance program, may be construed to
11 preclude a private right of action under any statute by
12 a policyholder against a private entity for fraud arising
13 from the handing or disposition of a claim for losses under
14 this title.”.

15 (c) RECORDS AND REVIEWS.—Section 1348 of the
16 National Flood Insurance Act of 1968 (42 U.S.C. 4084)
17 is amended by adding at the end the following:

18 “(c) ANNUAL REVIEW.—The Administrator shall
19 conduct an annual review of each private entity partici-
20 pating in the national flood insurance program, including
21 any company that has entered into a contract with a Write
22 Your Own company to provide any service related to a pol-
23 icy or claim under the national flood insurance program,
24 including adjusting, engineering, and legal services, to en-
25 sure compliance with this title and with all policies and

1 procedures established by the Administrator to prevent
2 fraud and protect policyholders.”.

3 (d) PUBLICATION OF CLAIMS DATA.—Section 1312
4 of the National Flood Insurance Act of 1968 (42 U.S.C.
5 4019), as amended by subsection (a), is amended by add-
6 ing at the end the following:

7 “(j) PUBLICATION OF CLAIMS DATA.—Not later than
8 1 year after the date of enactment of the Flood Insurance
9 Affordability and Sustainability Act of 2017, the Adminis-
10 trator shall create and maintain a publicly searchable on-
11 line database that includes, with respect to claims filed
12 under the national flood insurance program after that date
13 of enactment—

14 “(1) the aggregate number of claims filed each
15 month, broken down by State;

16 “(2) the aggregate number of claims paid in
17 part or in full; and

18 “(3) the aggregate number of claim denials ap-
19 pealed, the number of claim denials upheld on ap-
20 peal, and the number of claim denials overturned on
21 appeal.

22 “(k) PRIVACY.—Nothing in this section or the Flood
23 Insurance Affordability and Sustainability Act of 2017, or
24 any amendment made by that Act, shall be construed to
25 authorize the inclusion of personally identifiable informa-

1 tion or individual claim or specific property information
2 in any publicly searchable database.”.

3 (e) OVERSIGHT OF LITIGATION.—Part C of chapter
4 II of the National Flood Insurance Act of 1968 (42 U.S.C.
5 4081 et seq.) is amended by adding at the end the fol-
6 lowing:

7 **“SEC. 1349. OVERSIGHT OF LITIGATION.**

8 “(a) IN GENERAL.—The Administrator shall oversee
9 litigation arising under a contract for flood insurance sold
10 under this title that is conducted by a Write Your Own
11 company to ensure that the Write Your Own company and
12 counsel for the company—

13 “(1) represent the national flood insurance pro-
14 gram reasonably and in accordance with guidelines
15 established by the Administrator and applicable eth-
16 ical requirements; and

17 “(2) conduct litigation in a cost-effective man-
18 ner.

19 “(b) DENIAL OF REIMBURSEMENT.—The Adminis-
20 trator may deny reimbursement for litigation expenses
21 that the Administrator determines to be unreasonable, ex-
22 cessive, contrary to guidance issued by the Administrator,
23 or outside the scope of any arrangement entered into with
24 a Write Your Own company.

1 “(c) DIRECTION OF STRATEGY.—The Administrator
2 may direct litigation strategy for claims arising under a
3 contract for flood insurance sold by a Write Your Own
4 company.

5 “(d) SUBSTITUTION.—The Administrator may
6 promptly take any necessary action to be substituted for
7 the Write Your Own company in any action arising out
8 of any claim arising under a contract for flood insurance
9 sold by a Write Your Own company if the Administrator
10 determines that—

11 “(1) there is a conflict of interest between a
12 Write Your Own company and the national flood in-
13 surance program; or

14 “(2) such substitution is in the best interest of
15 the United States.”.

16 “(f) EARTH MOVEMENT.—Section 1306 of the Na-
17 tional Flood Insurance Act of 1968 (42 U.S.C. 4013) is
18 amended by adding at the end the following:

19 “(e) EARTH MOVEMENT.—A flood insurance claim
20 filed under this title for damage to or loss of property may
21 not be denied based on the earth movement exclusion in
22 the Standard Flood Insurance Policy if the claim is filed
23 as the result of a flood, including a claim for damage to
24 or loss or property caused by earth movement that was
25 caused by a flood.”.

1 (g) APPEALS PROCESS.—Section 205 of the Bun-
2 ning-Bereuter-Blumenauer Flood Insurance Reform Act
3 of 2004 (42 U.S.C. 4011 note) is amended—

4 (1) by striking “Not later than” and inserting
5 “(a) IN GENERAL.—Not later than”; and

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

7 “(b) REVIEW OF APPEALS.—

8 “(1) CLARITY.—The Director shall ensure that
9 the appeals process established under subsection (a)
10 has clear rules, forms, and deadlines.

11 “(2) NOTIFICATION UPON INITIAL DENIAL OF
12 CLAIM.—The Director shall ensure that a claimant
13 is provided with the rules, forms, and deadlines de-
14 scribed in paragraph (1) at the time a claim is first
15 denied in full or in part, including—

16 “(A) the effective date of the denial;

17 “(B) a justification for the denial, includ-
18 ing supporting documentation;

19 “(C) the date on which the period of limi-
20 tation for instituting an action against the Ad-
21 ministrator on the claim under section 1341 of
22 the National Flood Insurance Act of 1968 (42
23 U.S.C. 4072) will end; and

24 “(D) a point of contact through which the
25 claimant can directly discuss an appeal with a

1 representative of the Federal Emergency Man-
2 agement Agency.

3 “(3) NOTIFICATION UPON DENIAL OF AP-
4 PEAL.—If the Administrator denies an appeal filed
5 by a policyholder, the Administrator shall include
6 with the notice of denial an explanation of the pol-
7 icyholder’s legal options for further challenging the
8 denial.”.

9 **SEC. 603. REPORTS TO CONGRESS.**

10 (a) DEFINITION.—In this section, the term “Task
11 Force” means the National Flood Insurance Program
12 Transformation Task Force established by the Federal
13 Emergency Management Agency.

14 (b) REPORT TO CONGRESS ON ACCOUNTABILITY FOR
15 DEFRAUDING POLICYHOLDERS.—Not later than 90 days
16 after the date of enactment of this Act, the Secretary of
17 Homeland Security shall submit to Congress a report on
18 specific actions the Department of Homeland Security will
19 take to identify individuals and private entities that have
20 engaged in activities to defraud policyholders under the
21 National Flood Insurance Program following Superstorm
22 Sandy and prevent those individuals and private entities
23 from continuing to receive Federal funding through—

24 (1) contracts with, or employment by, a Write
25 Your Own company; or

1 (2) employment by the Federal Emergency
2 Management Agency.

3 (c) REPORT TO CONGRESS ON RECOMMENDATIONS
4 OF THE NFIP TRANSFORMATION TASK FORCE.—Not
5 later than 1 year after the date of enactment of this Act,
6 the Administrator shall submit to Congress a report that
7 describes—

8 (1) the recommendations of the Task Force for
9 reforming the National Flood Insurance Program;

10 (2) a timeline for implementing the rec-
11 ommendations of the Task Force; and

12 (3) any recommendations of the Task Force
13 that require additional legislation.

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