

115TH CONGRESS
1ST SESSION

H. R. 3285

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

IN THE HOUSE OF REPRESENTATIVES

JULY 18, 2017

Mr. HIGGINS of Louisiana (for himself, Mr. JOHNSON of Louisiana, Mr. PAL-
LONE, Mr. PASCHELL, Mr. SIRES, Mrs. WATSON COLEMAN, Mr. HARPER,
Mr. PALAZZO, and Mr. PAYNE) introduced the following bill; which was
referred to the Committee on Financial Services, and in addition to the
Committee on Transportation and Infrastructure, for a period to be sub-
sequently determined by the Speaker, in each case for consideration of
such provisions as fall within the jurisdiction of the committee concerned

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 “Sustainable, Afford-
5 able, Fair, and Efficient (SAFE) National Flood Insur-
6 ance Program Reauthorization Act of 2017”.

7 **SEC. 2. TABLE OF CONTENTS.**

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

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. Definitions.

TITLE I—REAUTHORIZATION AND AFFORDABILITY

- Sec. 101. Extension of National Flood Insurance Program.
- Sec. 102. Limitation on increases of premiums, surcharges, and mapping fees.
- Sec. 103. Means-tested mitigation and affordability assistance.
- Sec. 104. Coverage expansion.
- Sec. 105. Additional coverage for business interruption.

TITLE II—MITIGATION AND MAPPING

- Sec. 201. ICC expansion.
- Sec. 202. Flood mitigation assistance prioritization and authorization.
- Sec. 203. Predisaster hazard mitigation program authorization.
- Sec. 204. National Flood Mapping Program.
- Sec. 205. Reallocation of premium surcharges.
- Sec. 206. Multifamily mitigation.
- Sec. 207. Sense of Congress regarding flood mitigation activities.
- Sec. 208. New zone for levee-impacted areas.
- Sec. 209. Appeals regarding existing flood maps.

TITLE III—COST SAVINGS

- Sec. 301. Forbearance on NFIP interest payments.
- Sec. 302. Cap on Write Your Own company compensation.
- Sec. 303. Taxpayer protection.
- Sec. 304. Vendor costs; transparency.

TITLE IV—CLAIMS PROCESS REFORM

- Sec. 401. Earth movement clarification.
- Sec. 402. Treatment of basements.
- Sec. 403. Mold damage clarification.
- Sec. 404. Appeal of decisions relating to flood insurance coverage.
- Sec. 405. Accountability for underpayments by Write Your Own companies.
- Sec. 406. Policyholder right to know.
- Sec. 407. Increasing statute of limitations for lawsuits.
- Sec. 408. Attorney fee shifting.
- Sec. 409. DOJ defense against policyholder lawsuits.
- Sec. 410. Study on participation rates.
- Sec. 411. Federal Flood Insurance Advisory Committee.
- Sec. 412. Authority to terminate contractors and vendors.
- Sec. 413. Easing proof of loss requirements.
- Sec. 414. Elevation certificates.
- Sec. 415. Monthly installment payment for premiums.
- Sec. 416. Pilot program for pre-existing structural conditions.
- Sec. 417. Deadline for claim processing.
- Sec. 418. Engineer oversight and certification.
- Sec. 419. Engineer reports.
- Sec. 420. Improved training of agents and adjusters.
- Sec. 421. Agent Advisory Council.
- Sec. 422. Efficient use of mitigation dollars.
- Sec. 423. Improved disclosure requirements.

Sec. 424. Amendments to Financial Assistance/Subsidy Arrangement.
Sec. 425. Technical and conforming amendments.

1 **SEC. 3. DEFINITIONS.**

2 In this Act—

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

6 (2) the term “National Flood Insurance Fund”
7 means the fund established under section 1310 of
8 the National Flood Insurance Act of 1968 (42
9 U.S.C. 4017);

10 (3) the term “National Flood Insurance Pro-
11 gram” means the program established under the Na-
12 tional Flood Insurance Act of 1968 (42 U.S.C. 4001
13 et seq.);

14 (4) the term “National Flood Mitigation Fund”
15 means the fund established under section 1367 of
16 the National Flood Insurance Act of 1968 (42
17 U.S.C. 4104d);

18 (5) the term “Standard Flood Insurance Pol-
19 icy” means the policy set forth in Appendix A to
20 part 61 of title 44, Code of Federal Regulations;

21 (6) the term “Write Your Own company”
22 means a company that participates in the Write
23 Your Own Program; and

1 (7) the term “Write Your Own Program”
2 means the cooperative undertaking between the in-
3 surance industry and the Federal Insurance and
4 Mitigation Administration that allows participating
5 property and casualty insurance companies to write
6 and service standard flood insurance policies.

7 **TITLE I—REAUTHORIZATION**
8 **AND AFFORDABILITY**

9 **SEC. 101. EXTENSION OF NATIONAL FLOOD INSURANCE**
10 **PROGRAM.**

11 (a) **FINANCING.**—Section 1309(a) of the National
12 Flood Insurance Act of 1968 (42 U.S.C. 4016(a)) is
13 amended, in the first sentence, by striking “September 30,
14 2017” and inserting “September 30, 2023”.

15 (b) **PROGRAM EXPIRATION.**—Section 1319 of the Na-
16 tional Flood Insurance Act of 1968 (42 U.S.C. 4026) is
17 amended by striking “September 30, 2017” and inserting
18 “September 30, 2023”.

19 **SEC. 102. LIMITATION ON INCREASES OF PREMIUMS, SUR-**
20 **CHARGES, AND MAPPING FEES.**

21 (a) **DEFINITION.**—In this section, the term “covered
22 cost” means—

23 (1) the amount of an annual premium with re-
24 spect to any policy for flood insurance under the Na-
25 tional Flood Insurance Program;

1 (2) any surcharge imposed with respect to a
2 policy described in paragraph (1), including a sur-
3 charge imposed under—

4 (A) section 1304(b) of the National Flood
5 Insurance Act of 1968 (42 U.S.C. 4011(b)), as
6 amended by section 201(b); or

7 (B) section 1308A(a) of the National
8 Flood Insurance Act of 1968 (42 U.S.C.
9 4015a(a)); and

10 (3) a fee described in paragraph (1)(B)(iii) or
11 (2) of section 1307(a) of the National Flood Insur-
12 ance Act of 1968 (42 U.S.C. 4014(a)).

13 (b) **LIMITATION ON INCREASES.**—During the 6-year
14 period beginning on the date of enactment of this Act, and
15 notwithstanding section 1308(e) of the National Flood In-
16 surance Act of 1968 (42 U.S.C. 4015(e)), the Adminis-
17 trator may not, in any year, increase the amount of any
18 covered cost by an amount that is more than 10 percent,
19 as compared with the amount of the covered cost during
20 the previous year.

21 (c) **RULE OF CONSTRUCTION.**—Nothing in sub-
22 section (b) may be construed as prohibiting the Adminis-
23 trator from reducing, in any year, the amount of any cov-
24 ered cost, as compared with the amount of the covered
25 cost during the previous year.

1 (d) AVERAGE HISTORICAL LOSS YEAR.—Section
2 1308 of the National Flood Insurance Act of 1968 (42
3 U.S.C. 4015) is amended by striking subsection (h) and
4 inserting the following:

5 “(h) RULE OF CONSTRUCTION.—For purposes of this
6 section, the calculation of an ‘average historical loss year’
7 shall be computed in accordance with generally accepted
8 actuarial principles.”.

9 **SEC. 103. MEANS-TESTED MITIGATION AND AFFORD-**
10 **ABILITY ASSISTANCE.**

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

14 **“SEC. 1326. AFFORDABILITY ASSISTANCE.**

15 “(a) AFFORDABILITY ASSISTANCE FUND.—

16 “(1) ESTABLISHMENT.—The Administrator
17 shall establish in the Treasury of the United States
18 an Affordability Assistance Fund (referred to in this
19 section as the ‘Fund’), which shall be—

20 “(A) an account separate from any other
21 accounts or funds available to the Adminis-
22 trator; and

23 “(B) available without fiscal year limita-
24 tion.

1 “(2) USE OF FUNDS.—Amounts from the Fund
2 shall be available to provide financial assistance
3 under subsection (b).

4 “(3) SOURCE OF FUNDS.—The Fund shall be
5 credited with any surcharges imposed and collected
6 by the Administrator under section 1308A(a).

7 “(b) FINANCIAL ASSISTANCE.—

8 “(1) DEFINITIONS.—In this subsection—

9 “(A) the term ‘adjusted gross income’ has
10 the meaning given the term in section 62 of the
11 Internal Revenue Code of 1986;

12 “(B) the term ‘covered project’ means a
13 mitigation project with respect to a household
14 that reduces the total amount of actuarial risk
15 during a 50-year period by an amount that is
16 greater than the total cost of the project, sub-
17 ject to paragraph (4);

18 “(C) the term ‘eligible household’ means a
19 household for which—

20 “(i) housing expenses exceed 30 per-
21 cent of the adjusted gross income of the
22 household in a year; and

23 “(ii) the total assets owned by the
24 household are not greater than
25 \$1,000,000; and

1 “(D) the term ‘housing expenses’ means,
2 with respect to a household, the total amount
3 that the household spends in a year on—

4 “(i) mortgage payments;

5 “(ii) property taxes;

6 “(iii) homeowners insurance;

7 “(iv) premiums for flood insurance
8 under the national flood insurance pro-
9 gram; and

10 “(v) principal and interest payments
11 for a loan provided under this section.

12 “(2) AUTHORITY.—

13 “(A) LOANS FOR COVERED PROJECTS.—
14 The Administrator shall provide a low- or zero-
15 interest loan to an eligible household to fund a
16 covered project.

17 “(B) OTHER FINANCIAL ASSISTANCE.—
18 The Administrator shall provide a voucher,
19 grant, or premium credit to an eligible house-
20 hold for a year in an amount that is equal to
21 the lesser of—

22 “(i) the difference between—

23 “(I) the housing expenses of the
24 household for the year; and

1 “(II) 30 percent of the adjusted
2 gross income of the household for the
3 year; and

4 “(ii) the sum of—

5 “(I) the cost of premiums for the
6 household for flood insurance under
7 the national flood insurance program
8 for the year; and

9 “(II) principal and interest pay-
10 ments for the household for the year
11 for a loan provided under this section.

12 “(3) RELATIONSHIPS WITH OTHER AGEN-
13 CIES.—The Administrator may enter into a memo-
14 randum of understanding with the head of any other
15 Federal agency to administer the provision of loans
16 under paragraph (2)(A).

17 “(4) USE OF DISCOUNT RATE IN CALCULA-
18 TION.—The Administrator shall calculate the
19 amounts under paragraph (1)(B) using a discount
20 rate of 3 percent.”.

21 **SEC. 104. COVERAGE EXPANSION.**

22 (a) IN GENERAL.—Section 1306(b) of the National
23 Flood Insurance Act of 1968 (42 U.S.C. 4013(b)) is
24 amended—

1 (1) in paragraph (2), by striking “\$250,000”
2 and inserting “\$500,000”; and

3 (2) in paragraph (4), by striking “applicable) of
4 \$500,000” and inserting “applicable) of
5 \$1,500,000”.

6 (b) **RULE OF CONSTRUCTION.**—Notwithstanding sec-
7 tion 102 of the Flood Disaster Protection Act of 1973 (42
8 U.S.C. 4012a), nothing in the amendments made by sub-
9 section (a) may be construed as requiring a person to ob-
10 tain flood insurance in an amount that is greater than
11 the amount of flood insurance held by that person on the
12 day before the date of enactment of this Act.

13 **SEC. 105. ADDITIONAL COVERAGE FOR BUSINESS INTER-**
14 **RUPTION.**

15 (a) **IN GENERAL.**—The Administrator shall conduct
16 a study on the feasibility and soundness of offering cov-
17 erage for interruption business losses caused by a flood
18 under the National Flood Insurance Program (referred to
19 in this section as “business interruption coverage”).

20 (b) **CONTENTS.**—In conducting the study under sub-
21 section (a), the Administrator shall, at a minimum—

22 (1) evaluate insurance industry best practices
23 for offering business interruption coverage, including
24 the types of coverage provided and the utilization
25 rate;

1 (2) estimate the potential risk premium rates
2 for business interruption coverage based on the flood
3 risk reflected in the flood insurance rate map or
4 other risk metrics in effect at the time of purchase;

5 (3) analyze the operational and administrative
6 expenses associated with providing business inter-
7 ruption coverage and adjusting claims;

8 (4) identify potential obstacles that may prevent
9 the Administrator from offering business interrup-
10 tion coverage;

11 (5) evaluate the benefits of providing business
12 interruption coverage;

13 (6) analyze any potential impacts on the finan-
14 cial position of the National Flood Insurance Pro-
15 gram; and

16 (7) develop a feasibility implementation plan
17 and projected timelines for offering business inter-
18 ruption coverage.

19 (c) AVAILABILITY OF EXPERTS.—In conducting the
20 study under subsection (a), the Administrator may accept
21 and utilize the personnel and services of any other Federal
22 agency, and appoint and fix the compensation of tem-
23 porary personnel without regard to the provisions of title
24 5, United States Code, governing appointments in the
25 competitive service, or employ experts and consultants in

1 accordance with the provisions of section 3109 of such
2 title, without regard to the provisions of chapter 51 and
3 subchapter III of chapter 53 of such title relating to classi-
4 fication and General Schedule pay rates.

5 (d) DEADLINE.—The Administrator shall complete
6 the study required under subsection (a) not later than
7 September 30 of the second full fiscal year after the date
8 of enactment of this Act.

9 **TITLE II—MITIGATION AND** 10 **MAPPING**

11 **SEC. 201. ICC EXPANSION.**

12 (a) INCREASE OF LIMITATION ON LIABILITY.—Not
13 later than 180 days after the date of enactment of this
14 Act, the Administrator shall amend the Standard Flood
15 Insurance Policy to increase the limitation on liability re-
16 lating to “Coverage D—Increased Cost of Compliance”
17 from \$30,000 to \$100,000.

18 (b) EXPANSION OF ELIGIBILITY; CLARIFICATION
19 WITH RESPECT TO COVERAGE LIMITS; NON-FEDERAL
20 MATCH.—

21 (1) IN GENERAL.—Section 1304(b) of the Na-
22 tional Flood Insurance Act of 1968 (42 U.S.C.
23 4011(b)) is amended—

24 (A) in paragraph (4), by redesignating
25 subparagraphs (A) through (D) as clauses (i)

1 through (iv), respectively, and adjusting the
2 margins accordingly;

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

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

10 “(1) IN GENERAL.—The national”;

11 (D) in paragraph (1), as so designated—

12 (i) in subparagraph (A), as so redesign-
13 ated, by inserting “, without regard to
14 whether the property is in an area having
15 special flood hazards” after “loss struc-
16 tures”;

17 (ii) in subparagraph (C), as so redesi-
18 gnated, by striking the period at the end
19 and inserting “; and”;

20 (iii) in subparagraph (D), as so redesi-
21 gnated—

22 (I) in the matter preceding clause

23 (ii), as so redesignated, by inserting

24 “subject to paragraph (2),” before

25 “properties for which”;

1 (II) in clause (iii), as so redesignated, by striking “and” at the end;

2
3 (III) in clause (iv), as so redesignated, by striking the period at the end and inserting “; and”; and

4
5
6 (IV) by adding at the end the following:

7
8 “(v) a property outside an area having
9 special flood hazards if the community,
10 under section 1361, has established land
11 use and control measures for the area in
12 which the property is located.”;

13 (E) in the flush text following paragraph
14 (1)(D)(v), as added by subparagraph (D) of
15 this paragraph, by striking “The Administrator” and inserting the following:

16
17 “(3) SURCHARGES.—The Administrator”; and

18 (F) by inserting after paragraph (1), as so
19 designated by subparagraph (A) of this paragraph, the following:

20
21 “(2) USE OF FUNDS FOR MITIGATION
22 PROJECTS.—The Administrator shall allow a policyholder to use insurance purchased under this subsection for any eligible project costs under a program described in clause (i), (ii), or (iii) of para-

1 graph (1)(D) of an acquisition, demolition, elevation,
2 relocation, or small structural project funded under
3 that program, including—

4 “(A) asbestos remediation;

5 “(B) the demolition of a driveway or side-
6 walk when a structure is acquired; and

7 “(C) the addition of a lift, ramp, or other
8 device that is necessary for a homeowner or oc-
9 cupant with a physical limitation or disability to
10 safely access a home that has been elevated.”.

11 (2) MANDATORY NATURE OF ICC STATUTE.—

12 (A) FINDING.—Congress finds that, al-
13 though section 1304(b) of the National Flood
14 Insurance Act of 1968 (42 U.S.C. 4011(b)), as
15 in effect on the day before the date of enact-
16 ment of this Act, requires the Administrator to
17 offer increased cost of compliance (commonly
18 known as “ICC”) coverage to each type of
19 property described in paragraphs (1) through
20 (4) of that section, the Administrator has im-
21 plemented that section by effectively only offer-
22 ing ICC coverage to properties described in
23 paragraph (2) of that section.

24 (B) RULE OF CONSTRUCTION.—Nothing in
25 section 1304(b) of the National Flood Insur-

1 ance Act of 1968 (42 U.S.C. 4011(b)), as
2 amended by paragraph (1), shall be construed
3 to permit the Administrator to choose which
4 types of properties described in paragraphs (1)
5 through (5) of such section 1304(b) should be
6 eligible for ICC insurance rather than offering
7 ICC insurance to all such types of properties as
8 required under such section 1304(b).

9 **SEC. 202. FLOOD MITIGATION ASSISTANCE**
10 **PRIORITIZATION AND AUTHORIZATION.**

11 (a) FLOOD MITIGATION ASSISTANCE GRANT PRO-
12 GRAM PRIORITY.—Section 1366(a) of the National Flood
13 Insurance Act (42 U.S.C. 4104c(a)) is amended—

14 (1) by redesignating paragraphs (1), (2), and
15 (3) as subparagraphs (A), (B), and (C), respectively,
16 and adjusting the margins accordingly;

17 (2) in the second sentence of the matter pre-
18 ceding subparagraph (A), as so redesignated, by
19 striking “assistance shall be” and inserting the fol-
20 lowing: “assistance shall—

21 “(1) be”;

22 (3) in paragraph (1)(C), as so redesignated, by
23 striking the period at the end and inserting “; and”;
24 and

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

1 “(2) in addition to the requirement under para-
2 graph (1)(C), give priority to properties—

3 “(A) that are repetitive loss structures;

4 “(B) with respect to which flood insurance
5 premiums are unaffordable, as determined by
6 the Administrator; and

7 “(C) for which losses exceed the replace-
8 ment value of the properties.”.

9 (b) ADDITIONAL MITIGATION ASSISTANCE.—

10 (1) AUTHORIZATION OF APPROPRIATIONS.—

11 (A) APPROPRIATIONS FROM GENERAL
12 FUND OF TREASURY.—For each of the first 6
13 full fiscal years after the date of enactment of
14 this Act, there is authorized to be appropriated
15 \$1,000,000,000 to the National Flood Mitiga-
16 tion Fund to provide mitigation assistance
17 under this subsection.

18 (B) RULE OF CONSTRUCTION.—The au-
19 thorization of appropriations under subpara-
20 graph (A) shall not be construed to authorize
21 the transfer or crediting to the National Flood
22 Mitigation Fund of any amounts from the Na-
23 tional Flood Insurance Fund.

24 (2) COMMUNITY-WIDE MITIGATION
25 PROJECTS.—Notwithstanding any other provision of

1 law, including section 1366 of the National Flood
2 Insurance Act of 1968 (42 U.S.C. 4104c) and sec-
3 tion 203 of the Robert T. Stafford Disaster Relief
4 and Emergency Assistance Act (42 U.S.C. 5133), in
5 providing mitigation assistance under this sub-
6 section, in order to lessen disaster losses and en-
7 hance the financial stability and effectiveness of the
8 National Flood Insurance Program, the Adminis-
9 trator shall give priority to utilizing flood mitigation
10 activities that—

11 (A) provide benefits to an entire floodplain
12 or community, or to a portion of such a com-
13 munity;

14 (B) consider all available and practicable
15 approaches; and

16 (C) the Administrator determines—

17 (i) are technically feasible;

18 (ii) have the highest net benefits; and

19 (iii) are consistent with mitigation
20 plans approved by the Administrator.

21 **SEC. 203. PREDISASTER HAZARD MITIGATION PROGRAM**
22 **AUTHORIZATION.**

23 For each of the first 6 full fiscal years following the
24 date of enactment of this Act, there is authorized to be
25 appropriated \$500,000,000 to carry out the predisaster

1 hazard mitigation program under section 203 of the Rob-
2 ert T. Stafford Disaster Assistance and Emergency Relief
3 Act (42 U.S.C. 5133).

4 **SEC. 204. NATIONAL FLOOD MAPPING PROGRAM.**

5 Section 100216 of the Biggert-Waters Flood Insur-
6 ance Reform Act of 2012 (42 U.S.C. 4101b) is amended—

7 (1) in subsection (b)(1)—

8 (A) in subparagraph (A), by striking
9 “to—” and all that follows through the end of
10 clause (vi) and inserting “to all areas of the
11 United States;”;

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

14 (C) in subparagraph (C), by striking “ac-
15 curate topography” and all that follows through
16 the period at the end and inserting “current
17 and best remote sensing technology; and”;

18 (D) by adding at the end the following:

19 “(D) when appropriate, partner with other
20 Federal agencies and private entities in order to
21 meet the objectives of the program.”;

22 (2) by redesignating subsection (f) as sub-
23 section (g);

24 (3) by inserting after subsection (e) the fol-
25 lowing:

1 “(f) INCORPORATING BUILDING-SPECIFIC FLOOD
2 RISK INFORMATION.—

3 “(1) ESTABLISHMENT.—

4 “(A) IN GENERAL.—Not later than 5 years
5 after the date of enactment of the Sustainable,
6 Affordable, Fair, and Efficient (SAFE) Na-
7 tional Flood Insurance Program Reauthoriza-
8 tion Act of 2017, the Administrator, in coordi-
9 nation with, and as recommended by, the Tech-
10 nical Mapping Advisory Council, shall establish
11 a dynamic, database-derived digital display en-
12 vironment for flood hazard risk production and
13 dissemination.

14 “(B) CONSULTATION WITH STATES AND
15 COMMUNITIES.—In designing and constructing
16 the environment under subparagraph (A), the
17 Administrator shall—

18 “(i) leverage and partner with States
19 and communities that have successfully im-
20 plemented the same approach; and

21 “(ii) consider adopting the techniques
22 and technologies used by States and com-
23 munities described in clause (i) and apply-
24 ing them nationwide.

25 “(2) DIGITAL DISPLAY.—

1 “(A) IN GENERAL.—In carrying out para-
2 graph (1), the Administrator shall create a dig-
3 ital display prompted through dynamic querying
4 of a spatial, relational building database that
5 may not be publically disseminated and that in-
6 cludes—

7 “(i) special flood hazard areas and
8 base flood elevations for purposes of lender
9 compliance with the requirements under
10 section 102 of the Flood Disaster Protec-
11 tion Act of 1973 (42 U.S.C. 4012a); and

12 “(ii) structure-specific flood risk infor-
13 mation, including, for each property ad-
14 dress—

15 “(I) the spatial footprint and ele-
16 vation of the structure relative to spe-
17 cial flood hazard areas and base flood
18 elevations;

19 “(II) the most current elevation
20 certificate applicable to the property;

21 “(III) any letter of map changes;

22 “(IV) the full risk premium rate
23 estimated for the structure under sec-
24 tion 1307(a)(1) of the National Flood

1 Insurance Act of 1968 (42 U.S.C.
2 4014(a)(1)) based on elevation data;

3 “(V) the disclosure described in
4 section 1308(l) of the National Flood
5 Insurance Act of 1968 (42 U.S.C.
6 4015(l)), which shall include—

7 “(aa) the extent to which, if
8 any, the chargeable premium rate
9 applicable to the property is less
10 than the full risk premium rate
11 under section 1307(a)(1) of that
12 Act (42 U.S.C. 4014(a)(1)); and

13 “(bb) an explanation of the
14 difference described in item (aa)
15 and the methodology used to rate
16 the property;

17 “(VI) the estimated cost to re-
18 pair the structure in the case of dam-
19 age from floods with recurrence inter-
20 vals ranging from the 10 percent an-
21 nual chance event to the 0.2 percent
22 annual chance event;

23 “(VII) the cost-effectiveness of
24 mitigating the structure using com-
25 mon methods and how the chargeable

1 premium rate would change based on
2 each mitigation method; and

3 “(VIII) the claims history of the
4 structure, including the amount and
5 date of each loss.

6 “(B) PRIVACY REQUIREMENTS.—With re-
7 spect to the database described in subparagraph
8 (A), including any data used to create that
9 database, the Administrator may not dissemi-
10 nate the database to—

11 “(i) the public; or

12 “(ii) a private company for use by the
13 private company.

14 “(3) DATABASE.—

15 “(A) IN GENERAL.—The Administrator
16 shall—

17 “(i) develop a spatial, relational data-
18 base of buildings in the national flood in-
19 surance program; and

20 “(ii) obtain the data necessary to sup-
21 port the digital display created under para-
22 graph (2).

23 “(B) DATA.—The data obtained under
24 subparagraph (A) shall include, at a min-
25 imum—

1 “(i) footprints and elevations (includ-
2 ing lowest adjacent grade and first floor)
3 from Light Detection and Ranging (com-
4 monly known as ‘LiDAR’) data collections
5 or other data collection methods that meet
6 or exceed the standards for buildings, as
7 determined by the Administrator;

8 “(ii) elevation certificates;

9 “(iii) parcel, address, and imagery
10 data necessary for the identification, as-
11 sessment, and reduction of flood hazards
12 for individual properties;

13 “(iv) flood insurance rate maps, stud-
14 ies, and supporting data;

15 “(v) letters of map change; and

16 “(vi) any other data that the Adminis-
17 trator determines necessary to collect to
18 meet the objectives of this section.

19 “(4) DATA PROCUREMENT.—The Administrator
20 shall obtain any data necessary to establish the envi-
21 ronment under paragraph (1), including by—

22 “(A) directing communities participating
23 in the national flood insurance program, by reg-
24 ulation, to collect and supply information, in-
25 cluding elevation data, for each structure that

1 obtains a construction or other development
2 permit within—

3 “(i) a special flood hazard area; or

4 “(ii) an advisory special flood hazard
5 area adopted by the community;

6 “(B) issuing guidelines and standards, as
7 determined by the Administrator;

8 “(C) partnering with other Federal, State,
9 local, and private stakeholders to the greatest
10 extent possible to obtain and share existing
11 data that meets or exceeds the standards deter-
12 mined by the Administrator under subpara-
13 graph (B); and

14 “(D) contracting with private companies to
15 obtain new LiDAR data collections or elevation
16 certificates.

17 “(5) NFIP PREMIUM CREDIT.—The Adminis-
18 trator shall provide a 1-time premium credit of not
19 more than \$500 to a policyholder for the purchase
20 of an elevation certificate.

21 “(6) MASS LETTERS OF MAP CHANGE.—In co-
22 ordination with States and communities that have
23 successfully implemented a dynamic, database-de-
24 rived digital display environment for flood hazard
25 risk production and dissemination, the Adminis-

1 trator shall issue guidelines for the adoption and in-
2 tegration into the National Flood Mapping Program
3 of LiDAR-based letter of map amendment ap-
4 proaches.

5 “(7) ANNUAL REPORT.—The Administrator
6 shall submit to the Committee on Banking, Housing,
7 and Urban Affairs of the Senate and the Committee
8 on Financial Services of the House of Representa-
9 tives an annual progress report on the implementa-
10 tion of this subsection, which shall include rec-
11 ommendations to reduce the cost and improve the
12 implementation of this subsection.”; and

13 (4) in subsection (g), as so redesignated—

14 (A) by striking “this section
15 \$400,000,000” and inserting the following:

16 “this section—

17 “(1) \$400,000,000”; and

18 (B) by striking the period at the end and
19 inserting the following: “; and

20 “(2) \$800,000,000 for each of fiscal years 2018
21 through 2023.”.

22 **SEC. 205. REALLOCATION OF PREMIUM SURCHARGES.**

23 Chapter I of the National Flood Insurance Act of
24 1968 (42 U.S.C. 4011 et seq.) is amended—

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

1 (A) by redesignating subsection (c) as sub-
2 section (d);

3 (B) by inserting after subsection (b) the
4 following:

5 “(c) USE OF SURCHARGES.—The Administrator shall
6 deposit any surcharge imposed and collected under sub-
7 section (a) in the Affordability Assistance Fund estab-
8 lished under subsection (a) of section 1326 in order to
9 provide financial assistance under subsection (b) of that
10 section.”; and

11 (C) in subsection (d), as so redesignated,
12 by striking “Subsections (a) and (b)” and in-
13 serting “Subsections (a) through (c)”;

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

16 **SEC. 206. MULTIFAMILY MITIGATION.**

17 (a) IN GENERAL.—Section 1361(d)(1) of the Na-
18 tional Flood Insurance Act of 1968 (42 U.S.C.
19 4102(d)(1)) is amended, in the matter preceding subpara-
20 graph (A), by inserting “(including multifamily buildings
21 in urban areas)” after “residential buildings”.

22 (b) PREMIUM CREDIT.—Section 1308(k) of the Na-
23 tional Flood Insurance Act of 1968 (42 U.S.C. 4015(k))
24 is amended by striking “the Administrator shall” and all

1 that follows through the period at the end and inserting
2 the following: “the Administrator shall—

3 “(1) take into account the implementation of
4 any mitigation method identified by the Adminis-
5 trator in the guidance issued under section 1361(d)
6 (42 U.S.C. 4102(d)); and

7 “(2) offer a premium credit to a property owner
8 for the implementation of any alternative mitigation
9 method with respect to a multifamily building in an
10 urban area, as described in paragraph (1) of such
11 section 1361(d).”.

12 (c) LAND USE CONTROLS.—

13 (1) IN GENERAL.—Section 1315(a) of the Na-
14 tional Flood Insurance Act of 1968 (42 U.S.C.
15 4022(a)) is amended by adding at the end the fol-
16 lowing:

17 “(3) LAND USE CONTROLS FOR CERTAIN MUL-
18 TIFAMILY BUILDINGS IN URBAN AREAS.—

19 “(A) DEFINITION.—In this paragraph, the
20 term ‘covered area’ means an area that—

21 “(i) is an urban area; and

22 “(ii) has been identified as having
23 special flood hazards.

24 “(B) ADOPTION OF LAND USE CON-
25 TROLS.—Notwithstanding any other provision

1 of law, the Administrator, under paragraph (1),
2 may require an appropriate public body, with
3 respect to a covered area that is seeking to ob-
4 tain flood insurance under this title, to adopt
5 land use and control measures for the repair,
6 restoration, or substantial improvement of any
7 mid- or high-rise building that is located in the
8 covered area.

9 “(C) COMMUNITY STRATEGY.—With re-
10 spect to a covered area described in subpara-
11 graph (B), the Administrator shall encourage
12 the covered area to develop, and assist the cov-
13 ered area in developing, a comprehensive strat-
14 egy that—

15 “(i) reduces flood damage to mid- and
16 high-rise multifamily buildings in the cov-
17 ered area that—

18 “(I) will be repaired, restored, or
19 substantially improved; and

20 “(II) cannot be elevated;

21 “(ii) identifies technical mitigation ac-
22 tivities that may be applied to the build-
23 ings described in clause (i), including con-
24 siderations for mechanical, electrical, and

1 utility components, that will protect life
2 and property;

3 “(iii) documents that the covered area
4 has established procedures for—

5 “(I) the implementation of per-
6 formance standards;

7 “(II) requiring evacuation plans;
8 and

9 “(III) developing a maintenance
10 strategy for any mitigation activity
11 that is applied under clause (ii); and

12 “(iv) establishes guidelines for per-
13 formance standards that will—

14 “(I) allow for a combination of
15 partial mitigation activities, other
16 than elevation, for areas (other than
17 residential areas) in the covered area;
18 and

19 “(II) be applied to mid- and
20 high-rise multifamily buildings in the
21 areas described in subclause (I).”.

22 (2) LAND MANAGEMENT INVESTIGATIONS.—
23 Section 1361(b) of the National Flood Insurance
24 Act of 1968 (42 U.S.C. 4102(b)) is amended by in-
25 serting “, including whether a State or local govern-

1 ment, as applicable, has enacted the requirements
 2 described in section 1327(b)” after “other building
 3 restrictions”.

4 (d) CALCULATION OF RISK PREMIUM RATES.—Sec-
 5 tion 1308 of the National Flood Insurance Act of 1968
 6 (42 U.S.C. 4015) is amended by adding at the end the
 7 following:

8 “(n) CONSIDERATION OF ALTERNATIVE MITIGATION
 9 METHODS.—With respect to a chargeable rate prescribed
 10 for a building described in section 1315(a)(3)(B), the Ad-
 11 ministrator shall ensure that the rate properly reflects the
 12 reduction in flood risk after adopting the land use and
 13 control measures described in that section, if applicable.”.

14 **SEC. 207. SENSE OF CONGRESS REGARDING FLOOD MITIGA-**
 15 **TION ACTIVITIES.**

16 It is the sense of Congress that the Administrator
 17 should consider flood mitigation activities that—

18 (1) provide benefits to an entire floodplain or
 19 community, or to a portion of such a community;

20 (2) consider all available and practicable ap-
 21 proaches; and

22 (3) the Administrator determines—

23 (A) are technically feasible;

24 (B) have the highest net benefits; and

1 (C) are consistent with mitigation plans
2 approved by the Administrator.

3 **SEC. 208. NEW ZONE FOR LEVEE-IMPACTED AREAS.**

4 Section 1360 of the National Flood Insurance Act of
5 1968 (42 U.S.C. 4101) is amended by adding at the end
6 the following:

7 “(k) LEVEE-IMPACTED AREAS.—

8 “(1) IN GENERAL.—Subject to full implementa-
9 tion of subparagraphs (A)(iii) and (B) of section
10 100216(b)(1) of the Biggert-Waters Flood Insur-
11 ance Reform Act of 2012 (42 U.S.C. 4101b(b)(1))
12 and notwithstanding any other provision of law, if a
13 community applies to the Administrator for the re-
14 mapping of a levee-impacted area in which the perti-
15 nent levee system fails to meet the minimum design,
16 operation, and maintenance standards of the Na-
17 tional Flood Insurance Program required for levee
18 accreditation on a flood insurance rate map in ac-
19 cordance with the Levee Analysis Mapping Proce-
20 dure initiated by the Administrator to replace the
21 ‘without levees’ approach to a Flood Insurance
22 Study, the Administrator shall—

23 “(A) establish flood risk zones for those
24 levee-impacted areas on such maps, to be
25 known as ‘AL-E zones’, that have an estab-

1 lished elevation for community floodplain man-
2 agement; and

3 “(B) make flood insurance available to
4 properties located within those levee-impacted
5 areas.

6 “(2) TRANSITION.—During the period begin-
7 ning on the date of enactment of this subsection and
8 ending on the date on which the Administrator de-
9 velops rates for the various AL-E zones, a structure
10 located in a portion of a community that is located
11 within a levee-impacted area described in paragraph
12 (1) shall be eligible for rates associated with areas
13 of moderate flood hazards.”.

14 **SEC. 209. APPEALS REGARDING EXISTING FLOOD MAPS.**

15 (a) IN GENERAL.—

16 (1) RIGHT TO APPEAL.—Section 1360 of the
17 National Flood Insurance Act of 1968 (42 U.S.C.
18 4101), as amended by section 208, is amended by
19 adding at the end the following:

20 “(1) APPEALS OF EXISTING MAPS.—

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

1 map that the Administrator denies may at any time
2 appeal the denial in accordance with this subsection.

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

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

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

14 “(3) APPEALS PROCESS.—

15 “(A) ADMINISTRATIVE ADJUDICATION.—
16 The Administrator shall determine an appeal
17 under this subsection by making a final adju-
18 dication on the record, after providing an op-
19 portunity for an administrative hearing.

20 “(B) RIGHTS UPON ADVERSE DECISION.—

21 “(i) OPTIONAL ARBITRATION.—If an
22 appeal determined under subparagraph (A)
23 does not result in a decision in favor of the
24 State, local government, owner, or lessee,
25 that party may request that an appeal of

1 the adverse decision be heard through
2 independent, non-binding arbitration.

3 “(ii) PROCESS.—The Administrator
4 shall establish a process for arbitration
5 under clause (i) under which the arbitrator
6 provides a non-binding recommendation to
7 the Administrator.

8 “(4) RELIEF.—

9 “(A) WHOLLY SUCCESSFUL APPEALS.—If
10 the Administrator determines, in an appeal
11 under this subsection, that the property of a
12 policyholder that had been included in a special
13 flood hazard area under the flood insurance
14 rate map is actually not in a special flood haz-
15 ard area—

16 “(i) the policyholder may cancel the
17 policy at any time during the year in which
18 the Administrator makes the determina-
19 tion; and

20 “(ii) the Administrator shall provide
21 the policyholder a refund equal to the
22 amount of—

23 “(I) any premiums that the pol-
24 icyholder paid during the year de-
25 scribed in clause (i); and

1 “(II) any premiums that the pol-
2 icyholder paid for flood insurance cov-
3 erage that the policyholder was re-
4 quired to purchase or maintain during
5 the 2-year period preceding the year
6 described in clause (i).

7 “(B) PARTIALLY SUCCESSFUL APPEALS.—
8 If the Administrator determines in an appeal
9 under this subsection that mitigating factors
10 have reduced, but not eliminated, the risk of
11 flooding to a property, the Administrator
12 shall—

13 “(i) reduce the amount of flood insur-
14 ance coverage required to be maintained
15 for the property by the ratio of the suc-
16 cessful portion of the appeal as compared
17 to the entire appeal; and

18 “(ii) provide the policyholder a refund
19 equal to the difference between—

20 “(I) the amount of any premiums
21 that the policyholder paid during the
22 period—

23 “(aa) beginning on the later
24 of—

1 “(AA) the date on
2 which the mitigating factor
3 was created; or

4 “(BB) January 1 of the
5 second year preceding the
6 date on which the deter-
7 mination is made; and

8 “(bb) ending on the date on
9 which the reduction in the
10 amount of flood insurance re-
11 quired, as described in clause (i),
12 takes effect; and

13 “(II) the amount of premiums
14 that the policyholder would have been
15 required to pay if the reduced amount
16 of flood insurance coverage required,
17 as described in clause (i), had been in
18 effect during the period described in
19 subclause (I) of this clause.

20 “(C) ADDITIONAL RELIEF.—The Adminis-
21 trator may provide additional refunds in excess
22 of the amounts required under subparagraphs
23 (A) and (B) if the Administrator determines
24 that such additional refunds are warranted.

25 “(5) RECOVERY OF COSTS.—

1 “(A) APPEAL EXPENSES.—If a State or
2 local government, or the owner or lessee of real
3 property, incurs any expense in connection with
4 an appeal under this subsection that is based
5 on a scientific or technical error made by the
6 Administrator and that is successful in whole or
7 part regarding the designation of the base flood
8 elevation or any aspect of a flood insurance rate
9 map, including elevation or designation of a
10 special flood hazard area, the Administrator
11 shall reimburse the State, local government,
12 owner, or lessee in accordance with subpara-
13 graph (B).

14 “(B) REIMBURSABLE EXPENSES.—The
15 Administrator—

16 “(i) may reimburse a party under
17 subparagraph (A) for reasonable expenses
18 described in that subparagraph—

19 “(I) including for a service pro-
20 vided by a surveyor, engineer, or sci-
21 entific expert; and

22 “(II) to the extent measured by
23 the ratio of the successful portion of
24 the appeal as compared to the entire
25 appeal; and

1 “(ii) may not reimburse a party under
2 subparagraph (A) for—

3 “(I) the cost of legal services; or

4 “(II) the payment of any fee or
5 expense, the payment of which was
6 agreed to be contingent upon the re-
7 sult of the appeal.

8 “(6) GUIDANCE.—The Administrator shall
9 issue guidance to implement this subsection, which
10 shall not be subject to the notice and comment re-
11 quirements under section 553 of title 5, United
12 States Code.”.

13 (2) TECHNICAL AND CONFORMING AMEND-
14 MENTS.—Section 1310(a) of the National Flood In-
15 surance Act of 1968 (42 U.S.C. 4017(a)) is amend-
16 ed—

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

19 (B) in paragraph (8), by striking the pe-
20 riod at the end and inserting “; and”; and

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

22 “(9) for providing reimbursements of expenses
23 of flood insurance rate map appeals under section
24 1360(k)(5).”.

1 (b) DEADLINE.—Not later than 180 days after the
2 date of enactment of this Act, the Administrator shall
3 issue the guidance required under subsection (l)(6) of sec-
4 tion 1360 of the National Flood Insurance Act of 1968
5 (42 U.S.C. 4101), as added by subsection (a) of this sec-
6 tion.

7 **TITLE III—COST SAVINGS**

8 **SEC. 301. FORBEARANCE ON NFIP INTEREST PAYMENTS.**

9 (a) IN GENERAL.—During the 6-year period begin-
10 ning on the date of enactment of this Act, the Secretary
11 of the Treasury may not charge the Administrator interest
12 on amounts borrowed by the Administrator under section
13 1309(a) of the National Flood Insurance Act of 1968 (42
14 U.S.C. 4016(a)) that were outstanding as of that date of
15 enactment.

16 (b) NO RETROACTIVE ACCRUAL.—After the 6-year
17 period described in subsection (a), the Secretary of the
18 Treasury shall not require the Administrator to repay any
19 interest that, but for that subsection, would have accrued
20 on the borrowed amounts described in that subsection dur-
21 ing that 6-year period.

1 **SEC. 302. CAP ON WRITE YOUR OWN COMPANY COMPENSA-**
2 **TION.**

3 (a) IN GENERAL.—Section 1311 of the National
4 Flood Insurance Act of 1968 (42 U.S.C. 4018) is amend-
5 ed—

6 (1) by redesignating subsection (b) as sub-
7 section (c); and

8 (2) by inserting after subsection (a) the fol-
9 lowing:

10 “(b) LIMITATION ON COMPENSATION; MINIMUM
11 AGENT COMMISSIONS.—In negotiating with appropriate
12 representatives of the insurance industry under subsection
13 (a), the Administrator shall ensure that—

14 “(1) any reimbursement paid to a property and
15 casualty insurance company for selling, writing, and
16 servicing flood insurance policies is not more than
17 22.46 percent of the aggregate amount of premiums
18 charged by the insurance company; and

19 “(2) an insurance company pays a portion of
20 the reimbursement described in paragraph (1) to
21 agents of the company as a commission, in an
22 amount that is not less than 15 percent of the ag-
23 gregate amount of the premiums sold by the
24 agent.”.

25 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
26 Section 1311 of the National Flood Insurance Act of 1968

1 (42 U.S.C. 4018), as amended by subsection (a), is
2 amended—

3 (1) in subsection (a), by striking “The Adminis-
4 trator” and inserting “IN GENERAL.—The Adminis-
5 trator”; and

6 (2) in subsection (c), by striking “For purposes
7 of subsection (a)” and inserting “DEFINITIONS.—
8 For purposes of this section”.

9 **SEC. 303. TAXPAYER PROTECTION.**

10 Section 1360(g) of the National Flood Insurance Act
11 of 1968 (42 U.S.C. 4101(g)) is amended—

12 (1) in the first sentence, by inserting “, subject
13 to the following sentence,” after “at a reasonable
14 cost”; and

15 (2) by inserting after the first sentence the fol-
16 lowing: “The Administrator shall develop a fee
17 schedule based on recovering the actual costs of pro-
18 viding flood insurance rate maps to such other per-
19 sons, and shall charge a fee based on the schedule
20 to any private entity for the use of such a map.”.

21 **SEC. 304. VENDOR COSTS; TRANSPARENCY.**

22 (a) IN GENERAL.—Section 100224(d) of the Biggert-
23 Waters Flood Insurance Reform Act of 2012 (42 U.S.C.
24 4081 note) is amended—

1 (1) by striking “Not later than 12 months after
2 the date of enactment of this Act, the Adminis-
3 trator” and inserting the following:

4 “(A) IN GENERAL.—The Administrator”;

5 and

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

7 “(B) VENDOR COSTS; TRANSPARENCY.—In
8 issuing the rule under subparagraph (A), the
9 Administrator shall—

10 “(i) develop a schedule to determine
11 the actual costs of Write Your Own ven-
12 dors, including claims adjusters and engi-
13 neering companies;

14 “(ii) provide that if a Write Your Own
15 company requests reimbursement for the
16 costs of a service or product provided to
17 the company by a vendor, the Adminis-
18 trator only reimburses the company for the
19 actual costs of the service or products; and

20 “(iii) require that all reimbursements
21 to Write Your Own companies be made
22 public, including a description of the prod-
23 uct or service provided to which the reim-
24 bursement pertains.”.

1 (b) DEADLINE FOR REVISED RULE.—Not later than
2 90 days after the date of enactment of this Act, the Ad-
3 ministrator shall issue a revised rule under section
4 100224(d) of the Biggert-Waters Flood Insurance Reform
5 Act of 2012 (42 U.S.C. 4081 note), as amended by sub-
6 section (a).

7 **TITLE IV—CLAIMS PROCESS**
8 **REFORM**

9 **SEC. 401. EARTH MOVEMENT CLARIFICATION.**

10 Section 1306 of the National Flood Insurance Act of
11 1968 (42 U.S.C. 4013) is amended by adding at the end
12 the following:

13 “(e) EARTH MOVEMENT.—A flood insurance claim
14 filed under this title for damage to or loss of property may
15 not be denied based on the earth movement exclusion in
16 the standard flood insurance policy under the national
17 flood insurance program if the claim is filed as the result
18 of a flood, including a claim for damage to or loss or prop-
19 erty caused by earth movement that was caused by a
20 flood.”.

21 **SEC. 402. TREATMENT OF BASEMENTS.**

22 (a) BASEMENT CLARIFICATION.—

23 (1) DEFINITION.—In this subsection, the term
24 “pre-FIRM condominium building” means a condo-

1 minium building that was not constructed or sub-
2 stantially improved after the later of—

3 (A) December 31, 1974; or

4 (B) the effective date of the initial flood in-
5 surance rate map published by the Adminis-
6 trator under section 1360 of the National Flood
7 Insurance Act of 1968 (42 U.S.C. 4101) for the
8 area in which the building is located.

9 (2) AMENDMENT TO REGULATIONS.—The Ad-
10 ministrators shall amend section 59.1 of title 44,
11 Code of Federal Regulations, to exclude from the
12 definition of the term “basement” any pre-FIRM
13 condominium building, the lowest floor of which is
14 not more than 4 feet below the lowest adjacent
15 grade.

16 (b) STUDY ON CONSEQUENCES OF STREET-RAIS-
17 ING.—

18 (1) DEFINITION.—In this subsection, the term
19 “affected property” means a property containing an
20 area—

21 (A) the floor of which was located at or
22 above grade before the community raised the
23 street adjacent to the property; and

1 (B) after the street-raising described in
2 subparagraph (A), that was designated as a
3 basement because of the street-raising.

4 (2) STUDY; REPORT.—Not later than 1 year
5 after the date of enactment of this Act, the Adminis-
6 trator shall study and submit to Congress a report
7 on the consequences of street-raising on flood insur-
8 ance coverage for an affected property under the
9 National Flood Insurance Program, including the
10 cost implications for the property owner.

11 **SEC. 403. MOLD DAMAGE CLARIFICATION.**

12 The Administrator shall amend the Standard Flood
13 Insurance Policy to provide that—

14 (1) as a general rule, loss caused by water,
15 moisture, mildew, or mold caused by a flood is cov-
16 ered by flood insurance under the National Flood
17 Insurance Program;

18 (2) the exemption from coverage for water,
19 moisture, mildew, or mold damage caused by a pol-
20 icyholder who is truly derelict in inspecting or main-
21 taining a property after a flood recedes is a limited
22 exemption;

23 (3) in the case of water, moisture, mildew, or
24 mold damage described in paragraph (2), only the
25 amount of water, moisture, mildew, or mold that

1 built up because of the dereliction of duty, and only
2 during the time when the water, moisture, mildew,
3 or mold build-up reasonably could have been miti-
4 gated, shall not be covered;

5 (4) the determination that a policyholder was
6 truly derelict as described in paragraph (2) is a high
7 bar to meet; and

8 (5) the evaluation of whether a policyholder was
9 truly derelict as described in paragraph (2) shall be
10 made in light of the behavior that could reasonably
11 be expected from a survivor in the aftermath of a
12 particular flood event, which may include a natural
13 disaster, given the challenges facing a policyholder in
14 that situation, including—

15 (A) difficulty in inspecting or maintaining
16 the property;

17 (B) the need to address other, more imme-
18 diate priorities, including the health and well-
19 being of the policyholder and his or her family,
20 preservation of basic items, displacement,
21 shock, and other issues that make inspection
22 and mitigation a near-term challenge; and

23 (C) difficulty in finding qualified experts
24 during the surge of demand following a flood.

1 **SEC. 404. APPEAL OF DECISIONS RELATING TO FLOOD IN-**
2 **SURANCE COVERAGE.**

3 (a) EXTENSION OF DEADLINE TO FILE APPEAL; EN-
4 FORCING DEADLINE FOR FEMA TO RESOLVE APPEAL;
5 OPTIONAL ARBITRATION FOR APPEALS.—Section 1312 of
6 the National Flood Insurance Act of 1968 (42 U.S.C.
7 4019) is amended by adding at the end the following:

8 “(d) APPEAL OF DECISIONS RELATING TO FLOOD
9 INSURANCE COVERAGE.—

10 “(1) IN GENERAL.—The Administrator shall,
11 by regulation, establish an appeals process through
12 which holders of a flood insurance policy may appeal
13 the decisions, with respect to claims, proofs of loss,
14 and loss estimates relating to such flood insurance
15 policy, of any—

16 “(A) insurance agent or adjuster, or insur-
17 ance company; or

18 “(B) employee or contractor of the Federal
19 Emergency Management Agency.

20 “(2) DEADLINE TO FILE APPEAL.—The Admin-
21 istrator shall establish a deadline for filing an appeal
22 under this subsection that is not less than 1 year
23 after the date on which the decision being appealed
24 was made.

25 “(3) NOTIFICATION UPON INITIAL DENIAL OF
26 CLAIM.—The Administrator shall ensure that a

1 claimant is provided with the rules, forms, and dead-
2 lines for an appeal under this subsection at the time
3 a claim is first denied in full or in part, including—

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

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

7 “(C) the date on which the period of limi-
8 tation for instituting an action against the Ad-
9 ministrator on the claim under section 1333 or
10 1341, as applicable, will end; and

11 “(D) a point of contact through which the
12 claimant can directly discuss an appeal with a
13 representative of the Federal Emergency Man-
14 agement Agency.

15 “(4) DEADLINE TO RESOLVE APPEAL.—

16 “(A) IN GENERAL.—Not later than 90
17 days after the date as of which a policyholder
18 has submitted all necessary information relating
19 to an appeal under this subsection, the Admin-
20 istrator shall provide an appeal decision in writ-
21 ing to the policyholder and insurer, including
22 specific information for the resolution of the ap-
23 peal.

1 “(B) ENFORCEMENT.—If the Adminis-
2 trator does not comply with the deadline under
3 subparagraph (A)—

4 “(i) the appeal shall be deemed grant-
5 ed; and

6 “(ii) the Administrator shall award
7 the policyholder the full amount of the
8 claim.

9 “(C) NOTIFICATION UPON DENIAL OF AP-
10 PEAL.—If the Administrator denies an appeal
11 filed by a policyholder under this subsection,
12 the Administrator shall include with the notice
13 of denial—

14 “(i) an explanation of the legal op-
15 tions of the policyholder for further chal-
16 lenging the denial; and

17 “(ii) the date on which the period of
18 limitation for instituting an action against
19 the Administrator on the claim under sec-
20 tion 1333 or 1341, as applicable, will end.

21 “(e) OPTIONAL ARBITRATION.—Not later than 180
22 days after the date of enactment of this subsection, the
23 Administrator shall by regulation establish a process
24 through which a flood insurance policyholder, instead of
25 submitting an appeal under subsection (d) to the Adminis-

1 trator, may request that the appeal be heard through inde-
2 pendent, binding arbitration.”.

3 (b) **RELATION TO REGULATIONS AND OTHER LAW.**—
4 Nothing in the amendment made by subsection (a) shall
5 be construed to require the Administrator to repeal the
6 regulations promulgated under section 205 of the Bun-
7 ning-Bereuter-Blumenauer Flood Insurance Reform Act
8 of 2004 (42 U.S.C. 4011 note), or to promulgate new reg-
9 ulations, except as necessary to implement that amend-
10 ment.

11 **SEC. 405. ACCOUNTABILITY FOR UNDERPAYMENTS BY**
12 **WRITE YOUR OWN COMPANIES.**

13 Section 1348 of the National Flood Insurance Act of
14 1968 (42 U.S.C. 4084) is amended by adding at the end
15 the following:

16 “(c) **ACCOUNTABILITY FOR UNDERPAYMENTS.**—The
17 Administrator shall require that, if the Administrator de-
18 termines through an audit that the pool or an insurance
19 company or other private organization described in sub-
20 section (a) has underpaid a claim of a policyholder—

21 “(1) the pool, insurance company, or other pri-
22 vate organization, as applicable, shall pay the
23 amount of the difference to the Administrator; and

1 “(2) the Administrator shall deposit the amount
2 paid under paragraph (1) in the National Flood In-
3 surance Fund.”.

4 **SEC. 406. POLICYHOLDER RIGHT TO KNOW.**

5 Section 1312 of the National Flood Insurance Act of
6 1968 (42 U.S.C. 4019), as amended by section 404, is
7 amended by adding at the end the following:

8 “(f) AVAILABILITY OF CLAIM-RELATED DOCU-
9 MENTS.—

10 “(1) DEFINITION.—In this subsection, the term
11 ‘claim-related document’ means any document that
12 is prepared for the purposes of assessing a claim for
13 losses covered by flood insurance made available
14 under this title.

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

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

20 “(B) not later than 7 days after receiving
21 a request from a claimant or an authorized rep-
22 resentative of a claimant for a copy of a claim-
23 related document described in subparagraph
24 (A) that pertains to the claimant, shall provide
25 the copy to the claimant or representative; and

1 “(C) not later than 30 days after receiving
2 notice of a claim, shall notify the claimant that
3 the claimant or an authorized representative of
4 the claimant may obtain, upon request, a copy
5 of any claim-related document described in sub-
6 paragraph (A) that pertains to the claimant.”.

7 **SEC. 407. INCREASING STATUTE OF LIMITATIONS FOR LAW-**
8 **SUITS.**

9 (a) GOVERNMENT PROGRAM WITH INDUSTRY AS-
10 SISTANCE.—Section 1341 of the National Flood Insurance
11 Act of 1968 (42 U.S.C. 4072) is amended to read as fol-
12 lows:

13 **“SEC. 1341. ADJUSTMENT AND PAYMENT OF CLAIMS AND**
14 **JUDICIAL REVIEW.**

15 “(a) ADJUSTMENT AND PAYMENT OF CLAIMS.—If
16 the program is carried out as provided in section 1340,
17 the Administrator may adjust and make payment of any
18 claims for proved and approved losses covered by flood in-
19 surance.

20 “(b) JUDICIAL REVIEW.—

21 “(1) RIGHT OF ACTION.—Upon the disallow-
22 ance or partial disallowance by the Administrator of
23 a claim described in subsection (a), or upon the re-
24 fusal of the claimant to accept the amount allowed
25 upon a claim described in that subsection, the claim-

1 ant may institute an action against the Adminis-
2 trator on the claim in the United States district
3 court for the district in which the insured property
4 or the major part thereof shall have been situated
5 not later than 2 years after the later of—

6 “(A) the date on which the claimant re-
7 ceives notice of disallowance or partial disallow-
8 ance of the claim; or

9 “(B) in the case of a denial of a claim for
10 losses that is appealed to the Administrator, the
11 date on which the claimant receives notice of a
12 final determination upon appeal denying the
13 claim in whole or in part.

14 “(2) JURISDICTION.—A court described in
15 paragraph (1) shall have original exclusive jurisdic-
16 tion to hear and determine an action under that
17 paragraph without regard to the amount in con-
18 troversy.”.

19 (b) INDUSTRY PROGRAM WITH FEDERAL FINANCIAL
20 ASSISTANCE.—Section 1333 of the National Flood Insur-
21 ance Act of 1968 (42 U.S.C. 4053) is amended to read
22 as follows:

1 **“SEC. 1333. ADJUSTMENT AND PAYMENT OF CLAIMS AND**
2 **JUDICIAL REVIEW.**

3 “(a) **ADJUSTMENT AND PAYMENT OF CLAIMS.**—The
4 insurance companies and other insurers that form, asso-
5 ciate, or otherwise join together in the pool under this part
6 may adjust and pay all claims for proved and approved
7 losses covered by flood insurance in accordance with the
8 provisions of this title.

9 “(b) **JUDICIAL REVIEW.**—

10 “(1) **RIGHT OF ACTION.**—Upon the disallow-
11 ance or partial disallowance by any company or
12 other insurer described in subsection (a) of a claim
13 described in that subsection, or upon the refusal of
14 the claimant to accept the amount allowed upon a
15 claim described in that subsection, the claimant may
16 institute an action on the claim against the company
17 or other insurer in the United States district court
18 for the district in which the insured property or the
19 major part thereof shall have been situated not later
20 than 2 years after the later of—

21 “(A) the date on which the claimant re-
22 ceives notice of disallowance or partial disallow-
23 ance of the claim; or

24 “(B) in the case of a denial of a claim for
25 losses that is appealed to the Administrator, the
26 date on which the claimant receives notice of a

1 final determination upon appeal denying the
2 claim in whole or in part.

3 “(2) JURISDICTION.—A court described in
4 paragraph (1) shall have original exclusive jurisdic-
5 tion to hear and determine an action under that
6 paragraph without regard to the amount in con-
7 troversy.”.

8 **SEC. 408. ATTORNEY FEE SHIFTING.**

9 (a) ADMINISTRATIVE APPEALS.—Subsection (d) of
10 section 1312 of the National Flood Insurance Act of 1968
11 (42 U.S.C. 4019), as amended by section 404, is amended
12 by adding at the end the following:

13 “(5) AWARDS FOR COSTS IN ADMINISTRATIVE
14 PROCEEDINGS.—

15 “(A) IN GENERAL.—If the claimant pre-
16 vails in any appeal to the Administrator of the
17 disallowance or partial disallowance of a claim
18 for losses covered by flood insurance made
19 available under this title, the Administrator
20 shall award costs of the appeal, including attor-
21 ney fees, any proceeding expenses, and engi-
22 neering and other expert expenses, to the claim-
23 ant.

24 “(B) DEFINITION.—For purposes of this
25 paragraph, the term ‘prevail’ means to be

1 awarded a greater amount by the Administrator
2 than the amount of the last, best offer from the
3 Administrator with respect to the claim of the
4 claimant.”.

5 (b) JUDICIAL REVIEW.—

6 (1) GOVERNMENT PROGRAM WITH INDUSTRY
7 ASSISTANCE.—Subsection (b) of section 1341 of the
8 National Flood Insurance Act of 1968 (42 U.S.C.
9 4072), as added by section 407, is amended by add-
10 ing at the end the following:

11 “(3) ATTORNEY FEES AND OTHER LITIGATION
12 COSTS.—

13 “(A) IN GENERAL.—If the claimant pre-
14 vails in an action under this subsection, the
15 court shall award reasonable costs of litigation,
16 including attorney fees, litigation expenses, and
17 engineering and other expert expenses, to the
18 claimant.

19 “(B) SUBROGATION.—Any award under
20 subparagraph (A) shall be paid by the Adminis-
21 trator and, upon such payment, the Adminis-
22 trator shall be subrogated to the rights of the
23 claimant to recover such costs for which the
24 Administrator has compensated the claimant
25 from any insurance company or other insurer or

1 insurance adjustment organization that may be
2 responsible for the disallowance or partial dis-
3 allowance of the claim.

4 “(C) DEFINITION.—For purposes of this
5 paragraph, the term ‘prevail’ means to be
6 awarded a greater amount by the court than
7 the amount of the last, best offer from the Ad-
8 ministrator with respect to the claim of the
9 claimant.”.

10 (2) INDUSTRY PROGRAM WITH FEDERAL FINAN-
11 CIAL ASSISTANCE.—Subsection (b) of section 1333
12 of the National Flood Insurance Act of 1968 (42
13 U.S.C. 4053), as amended by section 407, is amend-
14 ed by adding at the end the following:

15 “(3) ATTORNEY FEES AND OTHER LITIGATION
16 COSTS.—

17 “(A) IN GENERAL.—If the claimant pre-
18 vails in an action under this subsection, the
19 court shall award reasonable costs of litigation,
20 including attorney fees, litigation expenses, and
21 engineering and other expert expenses, to the
22 claimant.

23 “(B) SUBROGATION.—Any award under
24 subparagraph (A) shall be paid by the Adminis-
25 trator and, upon such payment, the Adminis-

1 trator shall be subrogated to the rights of the
2 claimant to recover such costs for which the
3 Administrator has compensated the claimant
4 from any company or other insurer responsible
5 for the disallowance or partial disallowance of
6 the claim.

7 “(C) DEFINITION.—For purposes of this
8 paragraph, the term ‘prevail’ means to be
9 awarded a greater amount by the court than
10 the amount of the last, best offer from the in-
11 surer or Administrator with respect to the claim
12 of the claimant.”.

13 **SEC. 409. DOJ DEFENSE AGAINST POLICYHOLDER LAW-**
14 **SUITS.**

15 Subsection (b) of section 1341 of the National Flood
16 Insurance Act of 1968 (42 U.S.C. 4072), as amended by
17 section 408, is amended by adding at the end the fol-
18 lowing:

19 “(4) REPRESENTATION BY DEPARTMENT OF
20 JUSTICE.—If a claimant institutes an action under
21 this subsection—

22 “(A) the Administrator shall refer the mat-
23 ter to the Attorney General; and

24 “(B) the Attorney General—

1 “(i) shall represent the Administrator
2 or the Write Your Own company, as appli-
3 cable, in the action; and

4 “(ii) may not seek to have the court
5 dismiss an action with potential meri-
6 torious claims based on good faith errors
7 or omissions by the claimant in the claim-
8 ant’s proof of loss.”.

9 **SEC. 410. STUDY ON PARTICIPATION RATES.**

10 (a) DEFINITIONS.—In this section—

11 (1) the term “500-year floodplain” has the
12 meaning given the term in section 100202(a) of the
13 Biggert-Waters Flood Insurance Reform Act of
14 2012 (40 U.S.C. 4004(a));

15 (2) the terms “Federal agency lender”, “im-
16 proved real estate”, and “regulated lending institu-
17 tion” have the meanings given those terms in section
18 3(a) of the Flood Disaster Protection Act of 1973
19 (42 U.S.C. 4003(a)); and

20 (3) the term “property with a federally backed
21 mortgage” means improved real estate or a mobile
22 home securing a loan that was—

23 (A) made by a regulated lending institu-
24 tion or Federal agency lender; or

1 (B) purchased by the Federal National
2 Mortgage Association or the Federal Home
3 Loan Mortgage Corporation.

4 (b) STUDY.—Not later than 1 year after the date of
5 enactment of this Act, the Administrator shall study and
6 submit to Congress a report that describes—

7 (1) the percentage of properties with federally
8 backed mortgages located in an area having special
9 flood hazards that are covered by flood insurance
10 that satisfies the requirement under section 102(b)
11 of the Flood Disaster Protection Act of 1973 (42
12 U.S.C. 4012a(b)); and

13 (2) the percentage of properties with federally
14 backed mortgages located in the 500-year floodplain
15 that are covered by flood insurance that would sat-
16 isfy the requirement described in paragraph (1) if
17 that requirement applied to such properties.

18 **SEC. 411. FEDERAL FLOOD INSURANCE ADVISORY COM-**
19 **MITTEE.**

20 Part C of chapter II of the National Flood Insurance
21 Act of 1968 (42 U.S.C. 4081 et seq.) is amended by add-
22 ing at the end the following:

1 **“SEC. 1349. FEDERAL FLOOD INSURANCE ADVISORY COM-**
2 **MITTEE.**

3 “(a) ESTABLISHMENT.—There is established an advi-
4 sory committee to be known as the Federal Flood Insur-
5 ance Advisory Committee (in this section referred to as
6 the ‘Committee’).

7 “(b) MEMBERSHIP.—

8 “(1) MEMBERS.—The Committee shall consist
9 of—

10 “(A) the Administrator, or the designee
11 thereof;

12 “(B) the Secretary of the Treasury, or the
13 designee thereof; and

14 “(C) additional members appointed by the
15 Administrator or the designee thereof, who shall
16 be—

17 “(i) 2 representatives of the property
18 and casualty insurance sector;

19 “(ii) 1 individual who served in the
20 past, or is currently serving, as an insur-
21 ance regulator of a State, the District of
22 Columbia, the Commonwealth of Puerto
23 Rico, Guam, the Commonwealth of the
24 Northern Mariana Islands, the Virgin Is-
25 lands, American Samoa, or any federally-
26 recognized Indian tribe;

1 “(iii) 1 representative of the financial
2 sector or insurance sector who is involved
3 in risk transfers, including reinsurance, re-
4 silience bonds, and other insurance-linked
5 securities;

6 “(iv) 1 actuary with demonstrated
7 high-level knowledge of catastrophic risk
8 insurance;

9 “(v) 2 insurance professionals with
10 demonstrated experience with the sale of
11 flood insurance under the national flood in-
12 surance program;

13 “(vi) 2 representatives of catastrophic
14 risk insurance programs;

15 “(vii) 1 insurance claims specialist;

16 “(viii) 1 representative of a recognized
17 consumer advocacy organization;

18 “(ix) 1 individual having dem-
19 onstrated expertise in the challenges in in-
20 suring low-income communities;

21 “(x) 1 representative from an aca-
22 demic institution who has demonstrated
23 expertise in insurance; and

1 “(xi) any other recognized experts in
2 the field of insurance that the Adminis-
3 trator considers necessary.

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

12 “(c) DUTIES.—The Committee shall review, and
13 make recommendations to the Administrator, upon re-
14 quest, on matters related to the insurance aspects of the
15 national flood insurance program, including ratemaking,
16 technology to administer insurance, risk assessment, actu-
17 arial practices, claims practices, sales and insurance deliv-
18 ery, compensation and allowances, generally and based on
19 the complexities of the program, and best insurance prac-
20 tices.

21 “(d) CHAIRPERSON.—The members of the Com-
22 mittee shall elect 1 member to serve as the chairperson
23 of the Committee (in this subsection referred to as the
24 ‘Chairperson’).

1 “(e) COMPENSATION.—Members of the Committee
2 shall receive no additional compensation by reason of their
3 service on the Committee.

4 “(f) MEETINGS AND ACTIONS.—

5 “(1) IN GENERAL.—The Committee—

6 “(A) shall meet not less frequently than
7 twice each year at the request of the Chair-
8 person or a majority of the members of the
9 Committee; and

10 “(B) may take action by a vote of the ma-
11 jority of the members in accordance with the
12 charter of the Committee.

13 “(2) INITIAL MEETING.—The Administrator, or
14 a designee thereof, shall request and coordinate the
15 initial meeting of the Committee.

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

21 “(h) POWERS.—In carrying out this section, the
22 Committee may hold hearings, receive evidence and assist-
23 ance, provide information, and conduct research, as the
24 Committee considers appropriate.

1 “(i) REPORTS TO CONGRESS.—The Administrator,
2 on an annual basis, shall report to the Committee on Fi-
3 nancial Services of the House of Representatives, the
4 Committee on Banking, Housing, and Urban Affairs of
5 the Senate, and the Office of Management and Budget
6 on—

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

9 “(2) actions taken by the Federal Emergency
10 Management Agency to address the recommenda-
11 tions described in paragraph (1) to improve the in-
12 surance aspects of the National Flood Insurance
13 Program; and

14 “(3) any recommendations described in para-
15 graph (1) that have been deferred or not acted upon,
16 together with an explanatory statement with respect
17 to those recommendations.

18 “(j) APPLICABILITY OF THE FEDERAL ADVISORY
19 COMMITTEE ACT.—Section 14 of the Federal Advisory
20 Committee Act (5 U.S.C. App.) shall not apply to the
21 Committee.”.

22 **SEC. 412. AUTHORITY TO TERMINATE CONTRACTORS AND**
23 **VENDORS.**

24 (a) IN GENERAL.—Part C of chapter II of the Na-
25 tional Flood Insurance Act of 1968 (42 U.S.C. 4081 et

1 seq.), as amended by section 411, is amended by adding
2 at the end the following:

3 **“SEC. 1350. TERMINATION OF CONTRACTS.**

4 “(a) DEFINITION.—In this section, the term ‘covered
5 entity’ means any attorney, law firm, consultant, or third-
6 party company that provides services to a Write Your Own
7 company.

8 “(b) TERMINATION.—

9 “(1) IN GENERAL.—Notwithstanding any other
10 provision of law, the Administrator may terminate a
11 contract or other agreement between a covered enti-
12 ty and a Write Your Own company if the Adminis-
13 trator—

14 “(A) determines that the covered entity
15 has engaged in conduct that is detrimental to
16 the national flood insurance program; and

17 “(B) not later than 14 days before termi-
18 nating the contract or other agreement, pro-
19 vided notice to the covered entity of the termi-
20 nation.

21 “(2) APPEAL.—The Administrator shall estab-
22 lish a process for a covered entity to appeal the ter-
23 mination of a contract or other agreement under
24 paragraph (1).

1 “(3) EARLY TERMINATION PAYOUTS.—The Ad-
2 ministrator or a Write Your Own company is not re-
3 quired to make any early termination payout to a
4 covered entity with respect to a contract or agree-
5 ment with the Write Your Own company that the
6 Administrator terminates under paragraph (1).”.

7 (b) EFFECTIVE DATE; APPLICABILITY.—The amend-
8 ment made by subsection (a) shall apply to any contract
9 or other agreement between a covered entity, as defined
10 in section 1350(a) of the National Flood Insurance Act
11 of 1968, as added by subsection (a), and a Write Your
12 Own company that is entered into on or after the date
13 of enactment of this Act.

14 **SEC. 413. EASING PROOF OF LOSS REQUIREMENTS.**

15 (a) IN GENERAL.—Section 1312 of the National
16 Flood Insurance Act of 1968 (42 U.S.C. 4019), as amend-
17 ed by section 406, is amended by adding at the end the
18 following:

19 “(g) PROOF OF LOSS.—

20 “(1) REQUIRED NOTICE.—Not later than 1
21 year after the date on which damage to or loss of
22 a property that is covered by flood insurance made
23 available under this title occurs, the policyholder
24 with respect to the covered property may submit a
25 proof of loss notice that contains only such informa-

1 tion as is necessary to document the damage or loss,
2 including—

3 “(A) the amount claimed for the damage
4 to or loss of the property; and

5 “(B) the signature of the policyholder at-
6 testing to the accuracy of the amount claimed
7 and the information supplied to document the
8 damage or loss.

9 “(2) SUPPLEMENTAL PROOF.—Not later than 1
10 year after the date on which a policyholder submits
11 a proof of loss notice under paragraph (1) with re-
12 spect to a property that is covered by flood insur-
13 ance made available under this title, the policyholder
14 may submit supplemental information to support an
15 increase in the amount claimed in the proof of loss
16 notice if the policyholder discovers further damage
17 to the property or otherwise determines that the
18 amount claimed was insufficient.

19 “(3) ERRORS OR OMISSIONS.—An error or hon-
20 est omission in a proof of loss notice or in supple-
21 mental information submitted by a policyholder
22 under paragraph (1) or (2), respectively, with re-
23 spect to a property that is covered by flood insur-
24 ance made available under this title may not be used
25 to deny the right of the policyholder—

1 “(A) to receive a payment for the damage
2 to or loss of the property; or

3 “(B) to appeal or otherwise challenge the
4 amount received for the damage to or loss of
5 the property.”.

6 (b) **APPLICABILITY.**—The amendment made by sub-
7 section (a) shall apply to any claim for damage to or loss
8 of property that is covered by flood insurance under the
9 National Flood Insurance Program that is pending on, or
10 made after, the date of enactment of this Act.

11 **SEC. 414. ELEVATION CERTIFICATES.**

12 Chapter I of the National Flood Insurance Act of
13 1968 (42 U.S.C. 4011 et seq.), as amended by section
14 103, is amended by adding at the end the following:

15 **“SEC. 1327. ELEVATION CERTIFICATES.**

16 “(a) **NO EXPIRATION DATE.**—Surveyed elevation
17 data and other information relating to a building that is
18 recorded on a National Flood Insurance Program Ele-
19 vation Certificate by an individual licensed to record that
20 information shall continue to be in effect, and the Ele-
21 vation Certificate shall not expire, until the date on which
22 there is an alteration in the building or to the topography
23 surrounding the perimeter of the building.

24 “(b) **ELEVATION DATUM.**—With respect to a Na-
25 tional Flood Insurance Program Elevation Certificate for

1 a building, if the elevation datum used to determine the
2 base flood elevation at the building is different than the
3 elevation datum used to calculate the building elevation,
4 a datum conversion shall be performed to ensure that the
5 same elevation datum is used to calculate the base flood
6 elevation and the building elevation.”.

7 **SEC. 415. MONTHLY INSTALLMENT PAYMENT FOR PRE-**
8 **MIUMS.**

9 Not later than 180 days after the date of enactment
10 of this Act, the Administrator shall—

11 (1) implement the requirement for monthly in-
12 stallment payments of premiums provided under sec-
13 tion 1308(g) of the National Flood Insurance Act of
14 1968 (42 U.S.C. 4015(g)); or

15 (2) submit to Congress an explanation of the
16 reasons why the Administrator cannot implement
17 the requirement described in paragraph (1) during
18 that 180-day period.

19 **SEC. 416. PILOT PROGRAM FOR PRE-EXISTING STRUC-**
20 **TURAL CONDITIONS.**

21 (a) **DEFINITIONS.**—In this section—

22 (1) the term “covered property” means a prop-
23 erty that is or may be covered by flood insurance
24 under the National Flood Insurance Program; and

1 (2) the term “covered policyholder” means a
2 policyholder or potential policyholder of flood insur-
3 ance under the National Flood Insurance Program
4 for a covered property.

5 (b) PILOT PROGRAM.—Not later than 180 days after
6 the date of enactment of this Act, the Administrator shall
7 establish a pilot program under which Write Your Own
8 companies and National Flood Insurance Program direct
9 servicers shall, at the request of a covered policyholder and
10 before providing or renewing insurance coverage with re-
11 spect to a covered property under the National Flood In-
12 surance Program, investigate the pre-existing structural
13 condition of the covered property for any issues that could
14 result in the denial of a claim under the National Flood
15 Insurance Program for damage to or loss of the covered
16 property.

17 **SEC. 417. DEADLINE FOR CLAIM PROCESSING.**

18 (a) IN GENERAL.—Section 1312 of the National
19 Flood Insurance Act of 1968 (42 U.S.C. 4019), as amend-
20 ed by section 413, is amended by adding at the end the
21 following:

22 “(h) DEADLINE FOR APPROVAL OF CLAIMS.—

23 “(1) IN GENERAL.—The Administrator shall
24 provide that, in the case of a claim for damage to

1 or loss of property that is covered by flood insurance
2 made available under this title—

3 “(A) except as provided in paragraph (2),
4 not later than 30 days after the date on which
5 the claim is made—

6 “(i) a final determination regarding
7 approval of the claim for payment or dis-
8 approval of the claim shall be made; and

9 “(ii) notification of the determination
10 shall be provided to the insured making
11 the claim; and

12 “(B) payment of an approved claim shall
13 be made as soon as possible after that approval.

14 “(2) EXTENSION OF DEADLINE.—The Adminis-
15 trator shall—

16 “(A) provide that the period described in
17 paragraph (1)(A) may be extended by a single
18 additional period of 15 days under extraor-
19 dinary circumstances; and

20 “(B) by regulation, establish criteria for—

21 “(i) demonstrating the extraordinary
22 circumstances described in subparagraph
23 (A); and

1 “(ii) determining to which claims the
2 extraordinary circumstances described in
3 subparagraph (A) apply.”.

4 (b) **APPLICABILITY.**—The amendment made by sub-
5 section (a) shall apply to any claim for damage to or loss
6 of property that is covered by flood insurance made avail-
7 able under the National Flood Insurance Program that
8 is pending on, or made after, the date of enactment of
9 this Act.

10 **SEC. 418. ENGINEER OVERSIGHT AND CERTIFICATION.**

11 Part C of chapter II of the National Flood Insurance
12 Act of 1968 (42 U.S.C. 4081 et seq.), as amended by sec-
13 tion 412, is amended by adding at the end the following:

14 **“SEC. 1351. OVERSIGHT AND CERTIFICATION OF ENGI-**
15 **NEERS.**

16 “(a) **DEFINITION.**—In this section, the term ‘covered
17 engineering services’ means engineering services provided
18 in connection with insurance coverage provided under this
19 title.

20 “(b) **QUALIFICATIONS.**—The Administrator shall re-
21 quire that any individual who provides covered engineering
22 services, including services in connection with assessing
23 any claim for losses covered by a policy for that coverage,
24 shall—

1 “(1) have registered with and certified to the
2 Administrator that the engineer is professionally li-
3 censed to practice as an engineer in the State in
4 which the engineer is providing the covered engineer-
5 ing services;

6 “(2) have expertise in a particular discipline of
7 engineer or act within the area of the competency of
8 the engineer, as the Administrator shall require; and

9 “(3) be certified by the Administrator pursuant
10 to subsection (c).

11 “(c) CERTIFICATION BY FEMA.—

12 “(1) REQUIREMENT.—The Administrator shall
13 carry out a program to certify engineers as qualified
14 to provide covered engineering services.

15 “(2) CONTENTS.—The program carried out
16 under paragraph (1) shall—

17 “(A) include an initial training seminar;

18 “(B) provide such standards and testing
19 requirements as the Administrator shall estab-
20 lish; and

21 “(C) require an annual renewal of certifi-
22 cation through continuing education.

23 “(d) FEES.—

24 “(1) STANDARDIZED SCHEDULE.—The Admin-
25 istrator shall establish a standardized fee schedule

1 for all covered engineering services, which shall be
2 similar to the fee schedule of the Administrator used
3 for companies adjusting claims under insurance cov-
4 erage provided under this title.

5 “(2) REIMBURSEMENT.—Any reimbursement or
6 other allowance, payment, or compensation provided
7 by the Administrator to a Write Your Own company
8 with respect to covered engineered services may not
9 exceed the applicable standardized fees for those
10 services established under paragraph (1).

11 “(e) IDENTIFICATION NUMBERS.—The Adminis-
12 trator shall establish a system to provide a unique numer-
13 ical identifier for each engineer who provides covered engi-
14 neering services to assist in tracking past performance in
15 the provision of those services.

16 “(f) SUBMISSION OF DOCUMENTATION.—With re-
17 spect to a Write Your Own company, the Administrator
18 shall—

19 “(1) require the Write Your Own company to
20 obtain from each provider of covered engineering
21 services for the Write Your Own company, including
22 any subcontractor—

23 “(A) documentation sufficient to itemize
24 and disaggregate the costs and fees for those

1 services, including the costs and fees for any
2 subcontractor; and

3 “(B) all photos, notes, draft reports, and
4 other documentation relating to providing those
5 services in connection with a claim under insur-
6 ance coverage provided under this title;

7 “(2) make available to the Write Your Own
8 company—

9 “(A) the fee schedule established under
10 subsection (d)(1); and

11 “(B) such other information as may be
12 necessary to enable the Write Your Own com-
13 pany to determine whether the costs and fees
14 charged by providers of covered engineering
15 services are reasonable in relation to the serv-
16 ices provided; and

17 “(3) require the Write Your Own company to
18 make available to the Administrator, before any re-
19 imbursement or other allowance, payment, or com-
20 pensation is provided to the Write Your Own com-
21 pany in connection with covered engineering services
22 provided, all supporting documentation relating to
23 those services.”.

1 **SEC. 419. ENGINEER REPORTS.**

2 Section 1312 of the National Flood Insurance Act of
3 1968 (42 U.S.C. 4019), as amended by section 417, is
4 amended by adding at the end the following:

5 “(i) **FINAL ENGINEERING REPORTS.**—

6 “(1) **DEFINITIONS.**—In this subsection—

7 “(A) the term ‘covered claim’ means any
8 claim for losses covered by a policy for flood in-
9 surance coverage provided under this title; and

10 “(B) the term ‘final engineering report’
11 means an engineering report, survey, or other
12 document in connection with a covered claim
13 that—

14 “(i) is based on the on-site inspection;

15 “(ii) contains final conclusions with
16 respect to an engineering issue or issues
17 involved in the claim; and

18 “(iii) is signed by the responsible in
19 charge or affixed with the seal of the re-
20 sponsible in charge, or both.

21 “(2) **PROHIBITION ON MANIPULATION AND**
22 **TRANSMISSION TO THIRD PARTIES.**—The Adminis-
23 trator shall require that, in the case of any on-site
24 inspection of a property by an engineer for the pur-
25 pose of assessing any covered claim, the final engi-
26 neering report—

1 “(A) may not—

2 “(i) include alterations by, or at the
3 request of, anyone other than the respon-
4 sible in charge for the report; or

5 “(ii) be transmitted to any other per-
6 son before the final engineering report is
7 transmitted to the policyholder who sub-
8 mitted the covered claim; and

9 “(B) shall include a certification, signed by
10 the responsible in charge for the final engineer-
11 ing report, that the final engineering report
12 does not contain any alterations described in
13 subparagraph (A).

14 “(3) TRANSMISSION OF REPORT WITHOUT AP-
15 PROVAL.—A Write Your Own company or a national
16 flood insurance program direct servicer may, without
17 obtaining further review or approval by the Adminis-
18 trator, transmit to a policyholder a final engineering
19 report in the possession of the Write Your Own com-
20 pany or the direct servicer in connection with a cov-
21 ered claim submitted by the policyholder.”.

22 **SEC. 420. IMPROVED TRAINING OF AGENTS AND ADJUST-**
23 **ERS.**

24 (a) AGENT TRAINING.—

1 (1) IN GENERAL.—The Administrator shall re-
2 quire each insurance agent that issues standard
3 flood insurance policies on behalf of the National
4 Flood Insurance Program (under the Write Your
5 Own Program) or directly from the National Flood
6 Insurance Program to take—

7 (A) an introductory course that instructs
8 insurance agents on how to fill out an applica-
9 tion for a flood insurance policy; and

10 (B) annual continuing education courses
11 on—

12 (i) any changes in the flood insurance
13 manual or the National Flood Insurance
14 Program Elevation Certificate—

15 (ii) any increased costs of compliance;

16 (iii) flood insurance mapping; and

17 (iv) any other modifications to the
18 National Flood Insurance Program that
19 influence the rating of a flood insurance
20 policy.

21 (2) RECORD OF TRAINING.—The Administrator
22 shall maintain a record of each insurance agent that
23 takes a course described in subparagraph (A) or (B)
24 of paragraph (1).

25 (b) CERTIFICATION OF ADJUSTERS.—

1 (1) IN GENERAL.—Each insurance claims ad-
2 juster acting as an insurance agent for a Write Your
3 Own company shall—

4 (A) by certified by the Administrator to
5 act as an insurance agent; or

6 (B) act under the direct supervision of an
7 insurance claims adjuster certified under the
8 National Flood Insurance Program.

9 (2) ONLINE COURSE.—

10 (A) IN GENERAL.—Each insurance claims
11 adjuster responding to a major disaster de-
12 clared by the President under section 401 of
13 the Robert T. Stafford Disaster Relief and
14 Emergency Assistance Act (42 U.S.C. 5170)
15 shall, if determined appropriate by the Federal
16 coordinating officer operating in the affected
17 area, take an online refresher course provided
18 by the Administrator to prepare the insurance
19 claims adjuster for the unique circumstances of
20 the major disaster.

21 (B) RECORD OF TRAINING.—The Adminis-
22 trator shall maintain a record of each insurance
23 claims adjuster that takes an online refresher
24 course described in subparagraph (A).

1 (c) LOCAL FLOODPLAIN MANAGERS.—Each regional
2 office of the Federal Emergency Management Agency
3 shall—

4 (1) provide training to local floodplain man-
5 agers in the region on the responsibilities and proce-
6 dures of local floodplain managers with respect to
7 conducting substantial damage and substantial im-
8 provement determinations; and

9 (2) work with applicable State agencies to pro-
10 vide the training described in paragraph (1) and
11 verify that local floodplain managers are completing
12 the training.

13 **SEC. 421. AGENT ADVISORY COUNCIL.**

14 Part C of chapter II of the National Flood Insurance
15 Act of 1968 (42 U.S.C. 4081 et seq.), as amended by sec-
16 tion 418, is amended by adding at the end the following:

17 **“SEC. 1352. AGENT ADVISORY COUNCIL.**

18 “(a) ESTABLISHMENT.—There is established a coun-
19 cil to be known as the Agent Advisory Council (in this
20 section referred to as the ‘Council’).

21 “(b) MEMBERSHIP.—

22 “(1) MEMBERS.—The Council shall consist of—

23 “(A) the Administrator, or the designee of
24 the Administrator; and

1 “(B) 13 additional members appointed by
2 the Administrator or the designee of the Ad-
3 ministrator, of whom—

4 “(i) 1 shall be a member of the Na-
5 tional Association of Insurance Commis-
6 sioners;

7 “(ii) 1 shall be a member of the Inde-
8 pendent Insurance Agents and Brokers of
9 America;

10 “(iii) 1 shall be a member of the Na-
11 tional Association of Professional Insur-
12 ance Agents;

13 “(iv) 1 shall be a member of United
14 Policyholders;

15 “(v) 1 shall be a representative of the
16 Emergency Management Institute of the
17 Federal Emergency Management Agency;

18 “(vi) 1 shall be a representative of the
19 Office of the Flood Insurance Advocate of
20 the Federal Emergency Management
21 Agency;

22 “(vii) 1 shall be a representative of a
23 national flood insurance program direct
24 servicer;

1 “(viii) 1 shall be a representative of a
2 recognized professional association or orga-
3 nization representing homebuilders or land
4 developers;

5 “(ix) 1 shall be a representative of a
6 recognized professional association or orga-
7 nization representing the real estate indus-
8 try;

9 “(x) 2 shall be representatives of
10 Write Your Own companies that are in
11 good standing with the Administrator; and

12 “(xi) 2 shall be at-large members.

13 “(2) QUALIFICATIONS.—

14 “(A) IN GENERAL.—Each member of the
15 Council shall have experience with—

16 “(i) contacting policyholders under the
17 national flood insurance program, includ-
18 ing with respect to applying for flood in-
19 surance and processing a claim for damage
20 to or loss of property that is covered by
21 flood insurance; and

22 “(ii) riverine and coastal flood insur-
23 ance policies.

24 “(B) CONSIDERATIONS.—The Adminis-
25 trator shall, to the maximum extent practicable,

1 ensure that the membership of the Council has
2 a balance of governmental and private mem-
3 bers, and includes geographic diversity.

4 “(C) CONFLICTS OF INTEREST.—A mem-
5 ber of the Council—

6 “(i) may not, while serving on the
7 Council, be employed or retained—

8 “(I) by a Federal Emergency
9 Management Agency contractor or
10 consultant; or

11 “(II) by a nongovernmental enti-
12 ty that was awarded a Federal grant
13 during the 5-year period preceding the
14 date on which the member was ap-
15 pointed to the Council; and

16 “(ii) may not have been employed by
17 a Federal Emergency Management Agency
18 contractor or consultant during the 5-year
19 period preceding the date on which the
20 member was appointed to the Council.

21 “(3) CONSULTATION.—In appointing a member
22 of the Council from an entity described in clauses (i)
23 through (viii) of paragraph (1)(B), the Adminis-
24 trator or the designee of the Administrator, as appli-
25 cable, shall consult with the entity.

1 “(4) CHAIRPERSON.—The members of the
2 Council shall elect 1 member to serve as the chair-
3 person of the Council (in this section referred to as
4 the ‘Chairperson’).

5 “(c) DUTIES.—The Council shall—

6 “(1) provide recommendations to the Adminis-
7 trator on—

8 “(A) improving the customer experience
9 for policyholders under the national flood insur-
10 ance program;

11 “(B) training insurance agents that issue
12 flood insurance policies; and

13 “(C) improving the processing and han-
14 dling of claims for damage to or loss of prop-
15 erty that is covered by flood insurance; and

16 “(2) submit an annual report to the Adminis-
17 trator that includes—

18 “(A) a description of the activities of the
19 Council; and

20 “(B) a summary of recommendations made
21 by the Council to the Administrator.

22 “(d) COMPENSATION.—

23 “(1) IN GENERAL.—Except as provided in para-
24 graph (2), a member of the Council shall receive no
25 additional compensation for serving on the Council.

1 “(2) TRAVEL EXPENSES.—Each member of the
2 Council may be allowed travel expenses, including
3 per diem in lieu of subsistence, in accordance with
4 sections 5702 and 5703 of title 5, United States
5 Code, while away from their homes or regular places
6 of business in performance of services for the Coun-
7 cil.

8 “(e) MEETINGS AND ACTIONS.—

9 “(1) MEETINGS.—

10 “(A) IN GENERAL.—The Council shall
11 meet not less frequently than twice each year at
12 the request of the Chairperson or a majority of
13 the members of the Council.

14 “(B) INITIAL MEETING.—The Adminis-
15 trator, or a designee of the Administrator, shall
16 request and coordinate the initial meeting of
17 the Council.

18 “(2) ACTION BY MAJORITY VOTE.—The Council
19 may take action by a vote of the majority of the
20 members.

21 “(f) OFFICERS.—The Chairperson may appoint offi-
22 cers to assist in carrying out the duties of the Council
23 under subsection (e).

24 “(g) STAFF.—Upon the request of the Chairperson,
25 the Administrator may detail, on a nonreimbursable basis,

1 personnel of the Office of the Flood Insurance Advocate
2 of the Federal Emergency Management Agency to assist
3 the Council in carrying out the duties of the Council.

4 “(h) POWERS.—In carrying out this section, the
5 Council may hold hearings, receive evidence and assist-
6 ance, provide information, and conduct research as the
7 Council considers appropriate.

8 “(i) REPORT TO CONGRESS AND OMB.—The Admin-
9 istrator shall, on an annual basis, submit to the Com-
10 mittee on Banking, Housing, and Urban Affairs of the
11 Senate, the Committee on Financial Services of the House
12 of Representatives, and the Director of the Office of Man-
13 agement and Budget a report on—

14 “(1) the recommendations made by the Council;
15 and

16 “(2) any recommendations made by the Council
17 during the year covered by the report that, as of the
18 date on which the report is submitted, have been de-
19 ferred or not acted upon, together with an explana-
20 tory statement with respect to those recommenda-
21 tions.

22 “(j) APPLICABILITY OF THE FEDERAL ADVISORY
23 COMMITTEE ACT.—Section 14 of the Federal Advisory
24 Committee Act (5 U.S.C. App.) shall not apply to the
25 Council.”.

1 **SEC. 422. EFFICIENT USE OF MITIGATION DOLLARS.**

2 Section 1315(b) of the National Flood Insurance Act
3 of 1968 (42 U.S.C. 4022(b)) is amended by adding at the
4 end the following:

5 “(5) REGIONAL COORDINATOR.—

6 “(A) IN GENERAL.—The Administrator
7 shall appoint a regional coordinator in each re-
8 gion served by a Regional Office (as defined in
9 section 501 of the Homeland Security Act of
10 2002 (6 U.S.C. 311)) to provide technical as-
11 sistance to small communities to enable those
12 communities to effectively participate in and
13 benefit from the community rating system pro-
14 gram.

15 “(B) AUTHORIZATION OF APPROPRIA-
16 TIONS.—There are authorized to be appro-
17 priated such sums as may be necessary to carry
18 out this paragraph, which shall remain available
19 until expended.”.

20 **SEC. 423. IMPROVED DISCLOSURE REQUIREMENTS.**

21 Chapter I of the National Flood Insurance Act of
22 1968 (42 U.S.C. 4011 et seq.), as amended by section
23 414, is amended by adding at the end the following:

24 **“SEC. 1328. DISCLOSURE IN LEASE OF PROPERTY.**

25 “(a) IN GENERAL.—Not later than 180 days after
26 the date of enactment of this section, the Administrator,

1 in consultation with relevant Federal agencies, shall pro-
2 mulgate regulations requiring the disclosure of informa-
3 tion relating to the flood risk and flood insurance coverage
4 of any property that is offered for lease in accordance with
5 subsection (b).

6 “(b) INFORMATION DISCLOSED.—The regulations
7 promulgated under subsection (a) shall require that, be-
8 fore the lessee is obligated under any contract to lease
9 property, the lessor shall provide a written disclosure to
10 the lessee that describes—

11 “(1) the flood zone classification of the prop-
12 erty;

13 “(2) whether the property is covered by flood
14 insurance; and

15 “(3) the availability of contents coverage under
16 the national flood insurance program.”.

17 **SEC. 424. AMENDMENTS TO FINANCIAL ASSISTANCE/SUB-**
18 **SIDY ARRANGEMENT.**

19 The Administrator shall amend the Write Your Own
20 company Financial Assistance/Subsidy Arrangement to
21 implement the requirements of sections 405, 406, 409,
22 412, 413, 415, 416, 417, 418, 419, and 420 of this Act,
23 and any amendments made by those sections.

1 **SEC. 425. TECHNICAL AND CONFORMING AMENDMENTS.**

2 Section 1370 of the National Flood Insurance Act of
3 1968 (42 U.S.C. 4121) is amended—

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

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

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

9 “(16) the term ‘Write Your Own company’
10 means a company that participates in the Write
11 Your Own Program; and

12 “(17) the term ‘Write Your Own Program’
13 means the cooperative undertaking between the in-
14 surance industry and the Federal Insurance and
15 Mitigation Administration that allows participating
16 property and casualty insurance companies to write
17 and service standard flood insurance policies.”.

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