

113<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 1926

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## AN ACT

To delay the implementation of certain provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 and to reform the National Association of Registered Agents and Brokers, 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,*

1 **SECTION 1. TABLE OF CONTENTS.**

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

Sec. 1. Table of contents.

TITLE I—HOMEOWNER FLOOD INSURANCE AFFORDABILITY ACT

Sec. 101. Short title.

Sec. 102. Definitions.

Sec. 103. Delayed implementation of flood insurance rate increases; draft affordability framework.

Sec. 104. Affordability study and report.

Sec. 105. Affordability study funding.

Sec. 106. Funds to reimburse homeowners for successful map appeals.

Sec. 107. Flood protection systems.

Sec. 108. Treatment of floodproofed residential basements.

Sec. 109. Designation of flood insurance advocate.

Sec. 110. Exceptions to escrow requirement for flood insurance payments.

Sec. 111. Monthly installment payments for premiums.

Sec. 112. Accounting for flood mitigation activities in estimates of premium rates.

Sec. 113. Home improvement fairness.

Sec. 114. Study of voluntary community-based flood insurance options.

Sec. 115. Exemption from fees for certain map change requests.

Sec. 116. Flood mitigation methods for urban buildings.

TITLE II—NATIONAL ASSOCIATION OF REGISTERED AGENTS AND BROKERS

Sec. 201. Short Title.

Sec. 202. Reestablishment of the National Association of Registered Agents and Brokers.

3 **TITLE I—HOMEOWNER FLOOD**  
4 **INSURANCE AFFORDABILITY**  
5 **ACT**

6 **SEC. 101. SHORT TITLE.**

7 This title may be cited as the “Homeowner Flood In-  
8 surance Affordability Act of 2014”.

9 **SEC. 102. DEFINITIONS.**

10 As used in this title, the following definitions shall  
11 apply:

1           (1) ADJUSTED BASE FLOOD ELEVATION.—For  
2 purposes of rating a floodproofed covered structure,  
3 the term “adjusted base flood elevation” means the  
4 base flood elevation for a covered structure on the  
5 applicable effective flood insurance rate map, plus 1  
6 foot.

7           (2) ADMINISTRATOR.—The term “Adminis-  
8 trator” means the Administrator of the Federal  
9 Emergency Management Agency.

10           (3) AFFORDABILITY STUDY.—The term “af-  
11 fordability study” means the study required under  
12 section 100236 of the Biggert-Waters Flood Insur-  
13 ance Reform Act of 2012 (Public Law 112–141; 126  
14 Stat. 957).

15           (4) APPLICABLE FLOOD PLAIN MANAGEMENT  
16 MEASURES.—The term “applicable flood plain man-  
17 agement measures” means flood plain management  
18 measures adopted by a community under section  
19 60.3(c) of title 44, Code of Federal Regulations.

20           (5) COVERED STRUCTURE.—The term “covered  
21 structure” means a residential structure—

22           (A) that is located in a community that  
23 has adopted flood plain management measures  
24 that are approved by the Federal Emergency  
25 Management Agency and that satisfy the re-

1            requirements for an exception for floodproofed  
2            residential basements under section 60.6(c) of  
3            title 44, Code of Federal Regulations; and

4            (B) that was built in compliance with the  
5            applicable flood plain management measures.

6            (6) DRAFT AFFORDABILITY FRAMEWORK.—The  
7            term “draft affordability framework” means the  
8            draft programmatic and regulatory framework re-  
9            quired to be prepared by the Administrator and sub-  
10           mitted to Congress under section 103(d) addressing  
11           the issues of affordability of flood insurance sold  
12           under the National Flood Insurance Program, in-  
13           cluding issues identified in the affordability study.

14           (7) FLOODPROOFED ELEVATION.—The term  
15           “floodproofed elevation” means the height of  
16           floodproofing on a covered structure, as identified on  
17           the Residential Basement Floodproofing Certificate  
18           for the covered structure.

19           (8) NATIONAL FLOOD INSURANCE PROGRAM.—  
20           The term “National Flood Insurance Program”  
21           means the program established under the National  
22           Flood Insurance Act of 1968 (42 U.S.C. 4001 et  
23           seq.).

1 **SEC. 103. DELAYED IMPLEMENTATION OF FLOOD INSUR-**  
2 **ANCE RATE INCREASES; DRAFT AFFORD-**  
3 **ABILITY FRAMEWORK.**

4 (a) DELAYED IMPLEMENTATION OF FLOOD INSUR-  
5 ANCE RATE INCREASES.—

6 (1) GRANDFATHERED PROPERTIES.—Beginning  
7 on the date of enactment of this Act, the Adminis-  
8 trator may not implement section 1308(h) of the  
9 National Flood Insurance Act of 1968 (42 U.S.C.  
10 4015(h)).

11 (2) PRE-FIRM PROPERTIES.—Beginning on the  
12 date of enactment of this Act, the Administrator  
13 may not implement—

14 (A) section 1307(g)(1) of the National  
15 Flood Insurance Act of 1968 (42 U.S.C.  
16 4014(g)(1)); or

17 (B) section 1307(g)(3) of the National  
18 Flood Insurance Act of 1968 (42 U.S.C.  
19 4014(g)(3)) with respect to any policy described  
20 in that section, provided that the decision of the  
21 policy holder to permit a lapse in flood insur-  
22 ance coverage was as a result of the property  
23 covered by the policy no longer being required  
24 to retain such coverage.

1           (3) EXPIRATION.—The prohibitions set forth  
2 under paragraphs (1) and (2) shall expire 6 months  
3 after the later of—

4           (A) the date on which the Administrator  
5 proposes the draft affordability framework; or

6           (B) the date on which the Administrator  
7 certifies in writing to Congress that the Federal  
8 Emergency Management Agency has imple-  
9 mented a flood mapping approach that, when  
10 applied, results in technically credible flood haz-  
11 ard data in all areas where Flood Insurance  
12 Rate Maps are prepared or updated.

13 (b) PROPERTY SALE TRIGGER.—

14           (1) IN GENERAL.—Section 1307(g)(2) of the  
15 National Flood Insurance Act of 1968 (42 U.S.C.  
16 4014(g)(2)) is amended to read as follows:

17           “(2) any property purchased after the expira-  
18 tion of the 6-month period set forth under section  
19 103(a)(3) of the Homeowner Flood Insurance Af-  
20 fordability Act of 2014;”.

21           (2) PROTECTION OF SUBSIDY FOR PROPERTIES  
22 PURCHASED ON OR BEFORE EXPIRATION DATE.—  
23 Notwithstanding paragraph (1) or (3) of section  
24 1307(g) of the National Flood Insurance Act of  
25 1968 (42 U.S.C. 4014(g)(1) and (3)), the Adminis-

1       trator may not reduce the risk premium rate subsidy  
2       for flood insurance for a property purchased on or  
3       before the expiration of the 6-month period set forth  
4       under subsection (a)(3) of this section based on the  
5       fact that—

6               (A) the property was not insured by the  
7       flood insurance program as of the date of en-  
8       actment of the Biggert-Waters Flood Insurance  
9       Reform Act of 2012 (Public Law 112–141; 126  
10      Stat. 916); or

11              (B) on or before the expiration of that 6-  
12      month period, the policy for the property had  
13      lapsed in coverage as a result of the deliberate  
14      choice of the policy holder, provided that the  
15      decision of the policy holder to permit a lapse  
16      in coverage was as a result of the property no  
17      longer being required to retain such coverage.

18      (c) TREATMENT OF PRE-FIRM PROPERTIES.—Be-  
19      ginning on the date of enactment of this Act and ending  
20      upon the expiration of the 6-month period set forth under  
21      subsection (a)(3), the Administrator shall restore the risk  
22      premium rate subsidies for flood insurance estimated  
23      under section 1307(a)(2) of the National Flood Insurance  
24      Act of 1968 (42 U.S.C. 4014(a)(2)) for any property—

1           (1) with respect to which the Administrator  
2           may not, under subsection (a)(2)(A) of this section,  
3           implement section 1307(g)(1) of the National Flood  
4           Insurance Act of 1968;

5           (2) with respect to which the Administrator  
6           may not, under subsection (a)(2)(B) of this section,  
7           implement section 1307(g)(3) of the National Flood  
8           Insurance Act of 1968; or

9           (3) described in section 1307(g)(2) of the Na-  
10          tional Flood Insurance Act of 1968 (42 U.S.C.  
11          4014(g)(2)), as in effect on the day before the date  
12          of enactment of this Act.

13          (d) DRAFT AFFORDABILITY FRAMEWORK.—

14           (1) IN GENERAL.—The Administrator shall pre-  
15           pare a draft affordability framework that proposes  
16           to address, via programmatic and regulatory  
17           changes, the issues of affordability of flood insur-  
18           ance sold under the National Flood Insurance Pro-  
19           gram, including issues identified in the affordability  
20           study.

21           (2) CRITERIA.—In carrying out the require-  
22           ments under paragraph (1), the Administrator shall  
23           consider the following criteria:

24                   (A) Accurate communication to consumers  
25                   of the flood risk associated with their property.



1           (B) Targeted assistance to flood insurance  
2 policy holders based on their financial ability to  
3 continue to participate in the National Flood  
4 Insurance Program.

5           (C) Individual or community actions to  
6 mitigate the risk of flood or lower the cost of  
7 flood insurance.

8           (D) The impact of increases in risk pre-  
9 mium rates on participation in the National  
10 Flood Insurance Program.

11           (E) The impact flood insurance rate map  
12 updates have on the affordability of flood insur-  
13 ance.

14           (3) DEADLINE FOR SUBMISSION.—Not later  
15 than 18 months after the date on which the Admin-  
16 istrator submits the affordability study, the Admin-  
17 istrator shall submit to the full Committee on Bank-  
18 ing, Housing, and Urban Affairs and the full Com-  
19 mittee on Appropriations of the Senate and the full  
20 Committee on Financial Services and the full Com-  
21 mittee on Appropriations of the House of Represent-  
22 atives the draft affordability framework.

23           (e) INTERAGENCY AGREEMENTS.—The Adminis-  
24 trator may enter into an agreement with another Federal  
25 agency to—

1           (1) complete the affordability study; or

2           (2) prepare the draft affordability framework.

3           (f) CLEAR COMMUNICATIONS.—The Administrator  
4 shall clearly communicate full flood risk determinations to  
5 individual property owners regardless of whether their pre-  
6 mium rates are full actuarial rates.

7           (g) RULE OF CONSTRUCTION.—Nothing in this sec-  
8 tion shall be construed to provide the Administrator with  
9 the authority to provide assistance to homeowners based  
10 on affordability that was not available prior to the enact-  
11 ment of the Biggert-Waters Flood Insurance Reform Act  
12 of 2012 (Public Law 112–141; 126 Stat. 916).

13          (h) DISCLOSURE.—

14           (1) CHANGE IN RATES UNDER BIGGERT-  
15 WATERS.—Not later than the date that is 6 months  
16 before the date on which any change in risk pre-  
17 mium rates for flood insurance coverage under the  
18 National Flood Insurance Program resulting from  
19 the amendment made by section 100207 of the  
20 Biggert-Waters Flood Insurance Reform Act of  
21 2012 (Public Law 112–141; 126 Stat. 919) is imple-  
22 mented, the Administrator shall make publicly avail-  
23 able the rate tables and underwriting guidelines that  
24 provide the basis for the change.

1           (2) CHANGE IN RATES UNDER THIS ACT.—Not  
2 later than the date that is 6 months before the date  
3 on which any change in risk premium rates for flood  
4 insurance coverage under the National Flood Insur-  
5 ance Program resulting from this Act or any amend-  
6 ment made by this Act is implemented, the Adminis-  
7 trator shall make publicly available the rate tables  
8 and underwriting guidelines that provide the basis  
9 for the change.

10           (3) REPORT ON POLICY AND CLAIMS DATA.—

11           (A) IN GENERAL.—Not later than 90 days  
12 after the date of enactment of this Act, the Ad-  
13 ministrator shall submit to Congress a report  
14 on the feasibility of—

15           (i) releasing property-level policy and  
16 claims data for flood insurance coverage  
17 under the National Flood Insurance Pro-  
18 gram; and

19           (ii) establishing guidelines for releas-  
20 ing property-level policy and claims data  
21 for flood insurance coverage under the Na-  
22 tional Flood Insurance Program in accord-  
23 ance with section 552a of title 5, United  
24 States Code (commonly known as the “Pri-  
25 vacy Act of 1974”).

1 (B) CONTENTS.—The report submitted  
2 under subparagraph (A) shall include—

3 (i) an analysis and assessment of how  
4 releasing property-level policy and claims  
5 data for flood insurance coverage under  
6 the National Flood Insurance Program will  
7 aid policy holders and insurers to under-  
8 stand how the Administration determines  
9 actuarial premium rates and assesses flood  
10 risks; and

11 (ii) recommendations for protecting  
12 personal information in accordance with  
13 section 552a of title 5, United States Code  
14 (commonly known as the “Privacy Act of  
15 1974”).

16 **SEC. 104. AFFORDABILITY STUDY AND REPORT.**

17 Notwithstanding the deadline under section  
18 100236(c) of the Biggert-Waters Flood Insurance Reform  
19 Act of 2012 (Public Law 112–141; 126 Stat. 957), not  
20 later than 2 years after the date of enactment of this Act,  
21 the Administrator shall submit to the full Committee on  
22 Banking, Housing, and Urban Affairs and the full Com-  
23 mittee on Appropriations of the Senate and the full Com-  
24 mittee on Financial Services and the full Committee on

1 Appropriations of the House of Representatives the af-  
2 fordability study and report required under such section.

3 **SEC. 105. AFFORDABILITY STUDY FUNDING.**

4 Section 100236(d) of the Biggert-Waters Flood In-  
5 surance Reform Act of 2012 (Public Law 112–141; 126  
6 Stat. 957) is amended by striking “not more than  
7 \$750,000” and inserting “such amounts as may be nec-  
8 essary”.

9 **SEC. 106. FUNDS TO REIMBURSE HOMEOWNERS FOR SUC-**  
10 **CESSFUL MAP APPEALS.**

11 (a) IN GENERAL.—Section 1363(f) of the National  
12 Flood Insurance Act of 1968 (42 U.S.C. 4104(f)) is  
13 amended—

14 (1) in the first sentence, by inserting after “as  
15 the case may be,” the following: “or, in the case of  
16 an appeal that is resolved by submission of con-  
17 flicting data to the Scientific Resolution Panel pro-  
18 vided for in section 1363A, the community,”; and

19 (2) by striking the second sentence and insert-  
20 ing the following: “The Administrator may use such  
21 amounts from the National Flood Insurance Fund  
22 established under section 1310 as may be necessary  
23 to carry out this subsection.”.

1 (b) CONFORMING AMENDMENT.—Section 1310(a) of  
2 the National Flood Insurance Act of 1968 (42 U.S.C.  
3 4017(a)) is amended—

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

6 (2) in paragraph (7), by striking the period at  
7 the end and inserting “; and”; and

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

9 “(8) for carrying out section 1363(f).”.

10 **SEC. 107. FLOOD PROTECTION SYSTEMS.**

11 (a) ADEQUATE PROGRESS ON CONSTRUCTION OF  
12 FLOOD PROTECTION SYSTEMS.—Section 1307(e) of the  
13 National Flood Insurance Act of 1968 (42 U.S.C.  
14 4014(e)) is amended—

15 (1) in the first sentence, by inserting “or recon-  
16 struction” after “construction”;

17 (2) by striking the second sentence and insert-  
18 ing the following: “The Administrator shall find that  
19 adequate progress on the construction or reconstruc-  
20 tion of a flood protection system, based on the  
21 present value of the completed flood protection sys-  
22 tem, has been made only if (1) 100 percent of the  
23 cost of the system has been authorized, (2) at least  
24 60 percent of the cost of the system has been appro-  
25 priated, (3) at least 50 percent of the cost of the

1 system has been expended, and (4) the system is at  
2 least 50 percent completed.”; and

3 (3) by adding at the end the following: “Not-  
4 withstanding any other provision of law, in deter-  
5 mining whether a community has made adequate  
6 progress on the construction, reconstruction, or im-  
7 provement of a flood protection system, the Adminis-  
8 trator shall consider all sources of funding, including  
9 Federal, State, and local funds.”.

10 (b) COMMUNITIES RESTORING DISACCREDITED  
11 FLOOD PROTECTION SYSTEMS.—Section 1307(f) of the  
12 National Flood Insurance Act of 1968 (42 U.S.C.  
13 4014(f)) is amended by striking the first sentence and in-  
14 serting the following: “Notwithstanding any other provi-  
15 sion of law, this subsection shall apply to riverine and  
16 coastal levees that are located in a community which has  
17 been determined by the Administrator of the Federal  
18 Emergency Management Agency to be in the process of  
19 restoring flood protection afforded by a flood protection  
20 system that had been previously accredited on a Flood In-  
21 surance Rate Map as providing 100-year frequency flood  
22 protection but no longer does so, and shall apply without  
23 regard to the level of Federal funding of or participation  
24 in the construction, reconstruction, or improvement of the  
25 flood protection system.”.

1 **SEC. 108. TREATMENT OF FLOODPROOFED RESIDENTIAL**  
2 **BASEMENTS.**

3 In implementing section 1308(h) of the National  
4 Flood Insurance Act of 1968 (42 U.S.C. 4015(h)), the Ad-  
5 ministrator shall rate a covered structure using the ele-  
6 vation difference between the floodproofed elevation of the  
7 covered structure and the adjusted base flood elevation of  
8 the covered structure.

9 **SEC. 109. DESIGNATION OF FLOOD INSURANCE ADVOCATE.**

10 (a) IN GENERAL.—The Administrator shall designate  
11 a Flood Insurance Advocate to advocate for the fair treat-  
12 ment of policy holders under the National Flood Insurance  
13 Program and property owners in the mapping of flood  
14 hazards, the identification of risks from flood, and the im-  
15 plementation of measures to minimize the risk of flood.

16 (b) DUTIES AND RESPONSIBILITIES.—The duties  
17 and responsibilities of the Flood Insurance Advocate des-  
18 ignated under subsection (a) shall be to—

19 (1) educate property owners and policyholders  
20 under the National Flood Insurance Program on—

21 (A) individual flood risks;

22 (B) flood mitigation;

23 (C) measures to reduce flood insurance  
24 rates through effective mitigation; and

25 (D) the flood insurance rate map review  
26 and amendment process;



1           (2) assist policy holders under the National  
2 Flood Insurance Program and property owners to  
3 understand the procedural requirements related to  
4 appealing preliminary flood insurance rate maps and  
5 implementing measures to mitigate evolving flood  
6 risks;

7           (3) assist in the development of regional capac-  
8 ity to respond to individual constituent concerns  
9 about flood insurance rate map amendments and re-  
10 visions;

11           (4) coordinate outreach and education with  
12 local officials and community leaders in areas im-  
13 pacted by proposed flood insurance rate map amend-  
14 ments and revisions; and

15           (5) aid potential policy holders under the Na-  
16 tional Flood Insurance Program in obtaining and  
17 verifying accurate and reliable flood insurance rate  
18 information when purchasing or renewing a flood in-  
19 surance policy.

20       (c) AUTHORIZATION OF APPROPRIATIONS.—There  
21 are authorized to be appropriated for each fiscal year such  
22 sums as may be necessary to carry out the duties and re-  
23 sponsibilities of the Flood Insurance Advocate.

1 **SEC. 110. EXCEPTIONS TO ESCROW REQUIREMENT FOR**  
2 **FLOOD INSURANCE PAYMENTS.**

3 (a) IN GENERAL.—Section 102(d)(1) of the Flood  
4 Disaster Protection Act of 1973 (42 U.S.C. 4012a(d)(1))  
5 is amended—

6 (1) in subparagraph (A), in the second sen-  
7 tence, by striking “subparagraph (C)” and inserting  
8 “subparagraph (B)”; and

9 (2) in subparagraph (B)—

10 (A) in clause (ii), by redesignating sub-  
11 clauses (I) and (II) as items (aa) and (bb), re-  
12 spectively, and adjusting the margins accord-  
13 ingly;

14 (B) by redesignating clauses (i) and (ii) as  
15 subclauses (I) and (II), respectively, and adjust-  
16 ing the margins accordingly;

17 (C) in the matter preceding subclause (I),  
18 as redesignated by subparagraph (B), by strik-  
19 ing “(A) or (B), if—” and inserting the fol-  
20 lowing: “(A)—

21 “(i) if—”;

22 (D) by striking the period at the end and  
23 inserting “; or”; and

24 (E) by adding at the end the following

25 “(ii) in the case of a loan that—

1           “(I) is in a junior or subordinate  
2           position to a senior lien secured by  
3           the same residential improved real es-  
4           tate or mobile home for which flood  
5           insurance is being provided at the  
6           time of the origination of the loan;

7           “(II) is secured by residential im-  
8           proved real estate or a mobile home  
9           that is part of a condominium, cooper-  
10          ative, or other project development, if  
11          the residential improved real estate or  
12          mobile home is covered by a flood in-  
13          surance policy that—

14                 “(aa) meets the require-  
15                 ments that the regulated lending  
16                 institution is required to enforce  
17                 under subsection (b)(1);

18                 “(bb) is provided by the con-  
19                 dominium association, coopera-  
20                 tive, homeowners association, or  
21                 other applicable group; and

22                 “(cc) the premium for which  
23                 is paid by the condominium asso-  
24                 ciation, cooperative, homeowners

1 association, or other applicable  
2 group as a common expense;

3 “(III) is secured by residential  
4 improved real estate or a mobile home  
5 that is used as collateral for a busi-  
6 ness purpose;

7 “(IV) is a home equity line of  
8 credit;

9 “(V) is a nonperforming loan; or

10 “(VI) has a term of not longer  
11 than 12 months.”.

12 (b) APPLICABILITY.—

13 (1) IN GENERAL.—

14 (A) REQUIRED APPLICATION.—The  
15 amendments to section 102(d)(1) of the Flood  
16 Disaster Protection Act of 1973 (42 U.S.C.  
17 4012a(d)(1)) made by section 100209(a) of the  
18 Biggert-Waters Flood Insurance Reform Act of  
19 2012 (Public Law 112–141; 126 Stat. 920) and  
20 by subsection (a) of this section shall apply to  
21 any loan that is originated, refinanced, in-  
22 creased, extended, or renewed on or after Janu-  
23 ary 1, 2016.

24 (B) OPTIONAL APPLICATION.—

1 (i) DEFINITIONS.—In this subpara-  
2 graph—

3 (I) the terms “Federal entity for  
4 lending regulation”, “improved real  
5 estate”, “regulated lending institu-  
6 tion”, and “servicer” have the mean-  
7 ings given the terms in section 3 of  
8 the Flood Disaster Protection Act of  
9 1973 (42 U.S.C. 4003);

10 (II) the term “outstanding loan”  
11 means a loan that—

12 (aa) is outstanding as of  
13 January 1, 2016;

14 (bb) is not subject to the re-  
15 quirement to escrow premiums  
16 and fees for flood insurance  
17 under section 102(d)(1) of the  
18 Flood Disaster Protection Act of  
19 1973 (42 U.S.C. 4012a(d)(1)) as  
20 in effect on July 5, 2012; and

21 (cc) would, if the loan had  
22 been originated, refinanced, in-  
23 creased, extended, or renewed on  
24 or after January 1, 2016, be sub-  
25 ject to the requirements under

1 section 102(d)(1)(A) of the Flood  
2 Disaster Protection Act of 1973,  
3 as amended; and

4 (III) the term “section  
5 102(d)(1)(A) of the Flood Disaster  
6 Protection Act of 1973, as amended”  
7 means section 102(d)(1)(A) of the  
8 Flood Disaster Protection Act of 1973  
9 (42 U.S.C. 4012a(d)(1)(A)), as  
10 amended by—

11 (aa) section 100209(a) of  
12 the Biggert-Waters Flood Insur-  
13 ance Reform Act of 2012 (Public  
14 Law 112–141; 126 Stat. 920);  
15 and

16 (bb) subsection (a) of this  
17 section.

18 (ii) OPTION TO ESCROW FLOOD IN-  
19 SURANCE PAYMENTS.—Each Federal enti-  
20 ty for lending regulation (after consulta-  
21 tion and coordination with the Federal Fi-  
22 nancial Institutions Examination Council)  
23 shall, by regulation, direct that each regu-  
24 lated lending institution or servicer of an  
25 outstanding loan shall offer and make

1 available to a borrower the option to have  
2 the borrower's payment of premiums and  
3 fees for flood insurance under the National  
4 Flood Insurance Act of 1968 (42 U.S.C.  
5 4001 et seq.), including the escrow of such  
6 payments, be treated in the same manner  
7 provided under section 102(d)(1)(A) of the  
8 Flood Disaster Protection Act of 1973, as  
9 amended.

10 (2) REPEAL OF 2-YEAR DELAY ON APPLICA-  
11 BILITY.—Subsection (b) of section 100209 of the  
12 Biggert-Waters Flood Insurance Reform Act of  
13 2012 (Public Law 112–141; 126 Stat. 920) is re-  
14 pealed.

15 (3) RULE OF CONSTRUCTION.—Nothing in this  
16 section or the amendments made by this section  
17 shall be construed to supersede, during the period  
18 beginning on July 6, 2012 and ending on December  
19 31, 2015, the requirements under section 102(d)(1)  
20 of the Flood Disaster Protection Act of 1973 (42  
21 U.S.C. 4012a(d)(1)), as in effect on July 5, 2012.

22 **SEC. 111. MONTHLY INSTALLMENT PAYMENTS FOR PRE-**  
23 **MIUMS.**

24 Section 1308(g) of the National Flood Insurance Act  
25 of 1968 (42 U.S.C. 4015(g)) is amended by striking “ei-

1 ther annually or in more frequent installments” and in-  
2 serting “annually, monthly, or in other installments that  
3 are more frequent than annually”.

4 **SEC. 112. ACCOUNTING FOR FLOOD MITIGATION ACTIVI-**  
5 **TIES IN ESTIMATES OF PREMIUM RATES.**

6 Section 1307(a)(1) of the National Flood Insurance  
7 Act of 1968 (42 U.S.C. 4014(a)(1)) is amended by amend-  
8 ing subparagraph (A) to read as follows:

9 “(A) based on consideration of—

10 “(i) the risk involved and accepted ac-  
11 tuarial principles; and

12 “(ii) the flood mitigation activities  
13 that an owner or lessee has undertaken on  
14 a property, including differences in the risk  
15 involved due to land use measures,  
16 floodproofing, flood forecasting, and simi-  
17 lar measures.”.

18 **SEC. 113. HOME IMPROVEMENT FAIRNESS.**

19 Section 1307(a)(2)(E)(ii) of the National Flood In-  
20 surance Act of 1968 (42 U.S.C. 4014(a)(2)(E)(ii)) is  
21 amended by striking “30 percent” and inserting “50 per-  
22 cent”.

23 **SEC. 114. STUDY OF VOLUNTARY COMMUNITY-BASED**  
24 **FLOOD INSURANCE OPTIONS.**

25 (a) STUDY.—



1           (1) STUDY REQUIRED.—The Administrator  
2 shall conduct a study to assess options, methods,  
3 and strategies for making available voluntary com-  
4 munity-based flood insurance policies through the  
5 National Flood Insurance Program.

6           (2) CONSIDERATIONS.—The study conducted  
7 under paragraph (1) shall—

8                   (A) take into consideration and analyze  
9 how voluntary community-based flood insurance  
10 policies—

11                           (i) would affect communities having  
12 varying economic bases, geographic loca-  
13 tions, flood hazard characteristics or classi-  
14 fications, and flood management ap-  
15 proaches; and

16                           (ii) could satisfy the applicable re-  
17 quirements under section 102 of the Flood  
18 Disaster Protection Act of 1973 (42  
19 U.S.C. 4012a); and

20                   (B) evaluate the advisability of making  
21 available voluntary community-based flood in-  
22 surance policies to communities, subdivisions of  
23 communities, and areas of residual risk.

24           (3) CONSULTATION.—In conducting the study  
25 required under paragraph (1), the Administrator

1 may consult with the Comptroller General of the  
2 United States, as the Administrator determines is  
3 appropriate.

4 (b) REPORT BY THE ADMINISTRATOR.—

5 (1) REPORT REQUIRED.—Not later than 18  
6 months after the date of enactment of this Act, the  
7 Administrator shall submit to the Committee on  
8 Banking, Housing, and Urban Affairs of the Senate  
9 and the Committee on Financial Services of the  
10 House of Representatives a report that contains the  
11 results and conclusions of the study conducted under  
12 subsection (a).

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

15 (A) the best manner to incorporate vol-  
16 untary community-based flood insurance poli-  
17 cies into the National Flood Insurance Pro-  
18 gram; and

19 (B) a strategy to implement voluntary  
20 community-based flood insurance policies that  
21 would encourage communities to undertake  
22 flood mitigation activities, including the con-  
23 struction, reconstruction, or improvement of  
24 levees, dams, or other flood control structures.

1 (c) REPORT BY COMPTROLLER GENERAL.—Not later  
2 than 6 months after the date on which the Administrator  
3 submits the report required under subsection (b), the  
4 Comptroller General of the United States shall—

5 (1) review the report submitted by the Adminis-  
6 trator; and

7 (2) submit to the Committee on Banking,  
8 Housing, and Urban Affairs of the Senate and the  
9 Committee on Financial Services of the House of  
10 Representatives a report that contains—

11 (A) an analysis of the report submitted by  
12 the Administrator;

13 (B) any comments or recommendations of  
14 the Comptroller General relating to the report  
15 submitted by the Administrator; and

16 (C) any other recommendations of the  
17 Comptroller General relating to community-  
18 based flood insurance policies.

19 **SEC. 115. EXEMPTION FROM FEES FOR CERTAIN MAP**  
20 **CHANGE REQUESTS.**

21 Notwithstanding any other provision of law, a re-  
22 quester shall be exempt from submitting a review or proc-  
23 essing fee for a request for a flood insurance rate map  
24 change based on a habitat restoration project that is fund-  
25 ed in whole or in part with Federal or State funds, includ-

1 ing dam removal, culvert redesign or installation, or the  
2 installation of fish passage.

3 **SEC. 116. FLOOD MITIGATION METHODS FOR URBAN**  
4 **BUILDINGS.**

5 (a) IN GENERAL.—Not later than 1 year after the  
6 date of enactment of this Act, the Administrator shall  
7 issue guidelines for property owners that—

8 (1) provide alternative methods of mitigation,  
9 other than building elevation, to reduce flood risk to  
10 urban residential buildings that cannot be elevated  
11 due to their structural characteristics, including—

12 (A) types of building materials; and

13 (B) types of floodproofing; and

14 (2) inform property owners about how the im-  
15 plementation of mitigation methods described in  
16 paragraph (1) may affect risk premium rates for  
17 flood insurance coverage under the National Flood  
18 Insurance Program.

19 (b) CALCULATION OF RISK PREMIUM RATES.—In  
20 calculating the risk premium rate charged for flood insur-  
21 ance for a property under section 1308 of the National  
22 Flood Insurance Act of 1968 (42 U.S.C. 4015), the Ad-  
23 ministrator shall take into account the implementation of  
24 any mitigation method identified by the Administrator in  
25 the guidance issued under subsection (a) of this section.

1 **TITLE II—NATIONAL ASSOCIA-**  
2 **TION OF REGISTERED**  
3 **AGENTS AND BROKERS**

4 **SEC. 201. SHORT TITLE.**

5 This title may be cited as the “National Association  
6 of Registered Agents and Brokers Reform Act of 2014”.

7 **SEC. 202. REESTABLISHMENT OF THE NATIONAL ASSOCIA-**  
8 **TION OF REGISTERED AGENTS AND BRO-**  
9 **KERS.**

10 (a) IN GENERAL.—Subtitle C of title III of the  
11 Gramm-Leach-Bliley Act (15 U.S.C. 6751 et seq.) is  
12 amended to read as follows:

13 **“Subtitle C—National Association**  
14 **of Registered Agents and Brokers**

15 **“SEC. 321. NATIONAL ASSOCIATION OF REGISTERED**  
16 **AGENTS AND BROKERS.**

17 “(a) ESTABLISHMENT.—There is established the Na-  
18 tional Association of Registered Agents and Brokers (re-  
19 ferred to in this subtitle as the Association).

20 “(b) STATUS.—The Association shall—

21 “(1) be a nonprofit corporation;

22 “(2) not be an agent or instrumentality of the  
23 Federal Government;

1           “(3) be an independent organization that may  
2 not be merged with or into any other private or pub-  
3 lic entity; and

4           “(4) except as otherwise provided in this sub-  
5 title, be subject to, and have all the powers conferred  
6 upon, a nonprofit corporation by the District of Co-  
7 lumbia Nonprofit Corporation Act (D.C. Code, sec.  
8 29–301.01 et seq.) or any successor thereto.

9 **“SEC. 322. PURPOSE.**

10           “The purpose of the Association shall be to provide  
11 a mechanism through which licensing, continuing edu-  
12 cation, and other nonresident insurance producer quali-  
13 fication requirements and conditions may be adopted and  
14 applied on a multi-state basis without affecting the laws,  
15 rules, and regulations, and preserving the rights of a  
16 State, pertaining to—

17           “(1) licensing, continuing education, and other  
18 qualification requirements of insurance producers  
19 that are not members of the Association;

20           “(2) resident or nonresident insurance producer  
21 appointment requirements;

22           “(3) supervising and disciplining resident and  
23 nonresident insurance producers;

24           “(4) establishing licensing fees for resident and  
25 nonresident insurance producers so that there is no

1 loss of insurance producer licensing revenue to the  
2 State; and

3 “(5) prescribing and enforcing laws and regula-  
4 tions regulating the conduct of resident and non-  
5 resident insurance producers.

6 **“SEC. 323. MEMBERSHIP.**

7 “(a) ELIGIBILITY.—

8 “(1) IN GENERAL.—Any insurance producer li-  
9 censed in its home State shall, subject to paragraphs  
10 (2) and (4), be eligible to become a member of the  
11 Association.

12 “(2) INELIGIBILITY FOR SUSPENSION OR REV-  
13 OCATION OF LICENSE.—Subject to paragraph (3),  
14 an insurance producer is not eligible to become a  
15 member of the Association if a State insurance regu-  
16 lator has suspended or revoked the insurance license  
17 of the insurance producer in that State.

18 “(3) RESUMPTION OF ELIGIBILITY.—Paragraph  
19 (2) shall cease to apply to any insurance producer  
20 if—

21 “(A) the State insurance regulator reissues  
22 or renews the license of the insurance producer  
23 in the State in which the license was suspended  
24 or revoked, or otherwise terminates or vacates  
25 the suspension or revocation; or

1           “(B) the suspension or revocation expires  
2           or is subsequently overturned by a court of  
3           competent jurisdiction.

4           “(4) CRIMINAL HISTORY RECORD CHECK RE-  
5           QUIRED.—

6           “(A) IN GENERAL.—An insurance pro-  
7           ducer who is an individual shall not be eligible  
8           to become a member of the Association unless  
9           the insurance producer has undergone a crimi-  
10          nal history record check that complies with reg-  
11          ulations prescribed by the Attorney General of  
12          the United States under subparagraph (K).

13          “(B) CRIMINAL HISTORY RECORD CHECK  
14          REQUESTED BY HOME STATE.—An insurance  
15          producer who is licensed in a State and who has  
16          undergone a criminal history record check dur-  
17          ing the 2-year period preceding the date of sub-  
18          mission of an application to become a member  
19          of the Association, in compliance with a re-  
20          quirement to undergo such criminal history  
21          record check as a condition for such licensure  
22          in the State, shall be deemed to have undergone  
23          a criminal history record check for purposes of  
24          subparagraph (A).



1           “(C) CRIMINAL HISTORY RECORD CHECK  
2 REQUESTED BY ASSOCIATION.—

3           “(i) IN GENERAL.—The Association  
4 shall, upon request by an insurance pro-  
5 ducer licensed in a State, submit identi-  
6 fication information obtained from the in-  
7 surance producer, and a request for a  
8 criminal history record check of the insur-  
9 ance producer, to the Federal Bureau of  
10 Investigation.

11           “(ii) PROCEDURES.—The board of di-  
12 rectors of the Association (referred to in  
13 this subtitle as the Board) shall prescribe  
14 procedures for obtaining and utilizing iden-  
15 tification information and criminal history  
16 record information, including the establish-  
17 ment of reasonable fees required to per-  
18 form a criminal history record check and  
19 appropriate safeguards for maintaining  
20 confidentiality and security of the informa-  
21 tion.

22           “(D) FORM OF REQUEST.—A submission  
23 under subparagraph (C)(i) shall include such  
24 identification information as is required by the  
25 Attorney General concerning the person about

1 whom the criminal history record check is re-  
2 quested, and a statement signed by the person  
3 authorizing the Attorney General to provide the  
4 information to the Association and for the As-  
5 sociation to receive the information.

6 “(E) PROVISION OF INFORMATION BY AT-  
7 TORNEY GENERAL.—Upon receiving a submis-  
8 sion under subparagraph (C)(i) from the Asso-  
9 ciation, the Attorney General shall search all  
10 criminal history records of the Federal Bureau  
11 of Investigation, including records of the Crimi-  
12 nal Justice Information Services Division of the  
13 Federal Bureau of Investigation, that the At-  
14 torney General determines appropriate for  
15 criminal history records corresponding to the  
16 identification information provided under sub-  
17 paragraph (D) and provide all criminal history  
18 record information included in the request to  
19 the Association.

20 “(F) LIMITATION ON PERMISSIBLE USES  
21 OF INFORMATION.—Any information provided  
22 to the Association under subparagraph (E) may  
23 only—

1           “(i) be used for purposes of deter-  
2           mining compliance with membership cri-  
3           teria established by the Association;

4           “(ii) be disclosed to State insurance  
5           regulators, or Federal or State law en-  
6           forcement agencies, in conformance with  
7           applicable law; or

8           “(iii) be disclosed, upon request, to  
9           the insurance producer to whom the crimi-  
10          nal history record information relates.

11          “(G) PENALTY FOR IMPROPER USE OR  
12          DISCLOSURE.—Whoever knowingly uses any in-  
13          formation provided under subparagraph (E) for  
14          a purpose not authorized in subparagraph (F),  
15          or discloses any such information to anyone not  
16          authorized to receive it, shall be fined under  
17          title 18, United States Code, imprisoned for not  
18          more than 2 years, or both.

19          “(H) RELIANCE ON INFORMATION.—Nei-  
20          ther the Association nor any of its Board mem-  
21          bers, officers, or employees shall be liable in  
22          any action for using information provided under  
23          subparagraph (E) as permitted under subpara-  
24          graph (F) in good faith and in reasonable reli-  
25          ance on its accuracy.

1           “(I) FEES.—The Attorney General may  
2 charge a reasonable fee for conducting the  
3 search and providing the information under  
4 subparagraph (E), and any such fee shall be  
5 collected and remitted by the Association to the  
6 Attorney General.

7           “(J) RULE OF CONSTRUCTION.—Nothing  
8 in this paragraph shall be construed as—

9                   “(i) requiring a State insurance regu-  
10 lator to perform criminal history record  
11 checks under this section; or

12                   “(ii) limiting any other authority that  
13 allows access to criminal history records.

14           “(K) REGULATIONS.—The Attorney Gen-  
15 eral shall prescribe regulations to carry out this  
16 paragraph, which shall include—

17                   “(i) appropriate protections for ensur-  
18 ing the confidentiality of information pro-  
19 vided under subparagraph (E); and

20                   “(ii) procedures providing a reason-  
21 able opportunity for an insurance producer  
22 to contest the accuracy of information re-  
23 garding the insurance producer provided  
24 under subparagraph (E).

25           “(L) INELIGIBILITY FOR MEMBERSHIP.—

1           “(i) IN GENERAL.—The Association  
2           may, under reasonably consistently applied  
3           standards, deny membership to an insur-  
4           ance producer on the basis of criminal his-  
5           tory record information provided under  
6           subparagraph (E), or where the insurance  
7           producer has been subject to disciplinary  
8           action, as described in paragraph (2).

9           “(ii) RIGHTS OF APPLICANTS DENIED  
10          MEMBERSHIP.—The Association shall no-  
11          tify any insurance producer who is denied  
12          membership on the basis of criminal his-  
13          tory record information provided under  
14          subparagraph (E) of the right of the insur-  
15          ance producer to—

16                 “(I) obtain a copy of all criminal  
17                 history record information provided to  
18                 the Association under subparagraph  
19                 (E) with respect to the insurance pro-  
20                 ducer; and

21                 “(II) challenge the denial of  
22                 membership based on the accuracy  
23                 and completeness of the information.

24          “(M) DEFINITION.—For purposes of this  
25          paragraph, the term criminal history record

1 check means a national background check of  
2 criminal history records of the Federal Bureau  
3 of Investigation.

4 “(b) AUTHORITY TO ESTABLISH MEMBERSHIP CRI-  
5 TERIA.—The Association may establish membership cri-  
6 teria that bear a reasonable relationship to the purposes  
7 for which the Association was established.

8 “(c) ESTABLISHMENT OF CLASSES AND CATEGORIES  
9 OF MEMBERSHIP.—

10 “(1) CLASSES OF MEMBERSHIP.—The Associa-  
11 tion may establish separate classes of membership,  
12 with separate criteria, if the Association reasonably  
13 determines that performance of different duties re-  
14 quires different levels of education, training, experi-  
15 ence, or other qualifications.

16 “(2) BUSINESS ENTITIES.—The Association  
17 shall establish a class of membership and member-  
18 ship criteria for business entities. A business entity  
19 that applies for membership shall be required to des-  
20 ignate an individual Association member responsible  
21 for the compliance of the business entity with Asso-  
22 ciation standards and the insurance laws, rules, and  
23 regulations of any State in which the business entity  
24 seeks to do business on the basis of Association  
25 membership.

1           “(3) CATEGORIES.—

2                   “(A) SEPARATE CATEGORIES FOR INSUR-  
3           ANCE PRODUCERS PERMITTED.—The Associa-  
4           tion may establish separate categories of mem-  
5           bership for insurance producers and for other  
6           persons or entities within each class, based on  
7           the types of licensing categories that exist  
8           under State laws.

9                   “(B) SEPARATE TREATMENT FOR DEPOSI-  
10           TORY INSTITUTIONS PROHIBITED.—No special  
11           categories of membership, and no distinct mem-  
12           bership criteria, shall be established for mem-  
13           bers that are depository institutions or for em-  
14           ployees, agents, or affiliates of depository insti-  
15           tutions.

16           “(d) MEMBERSHIP CRITERIA.—

17                   “(1) IN GENERAL.—The Association may estab-  
18           lish criteria for membership which shall include  
19           standards for personal qualifications, education,  
20           training, and experience. The Association shall not  
21           establish criteria that unfairly limit the ability of a  
22           small insurance producer to become a member of the  
23           Association, including imposing discriminatory mem-  
24           bership fees.

1           “(2) QUALIFICATIONS.—In establishing criteria  
2 under paragraph (1), the Association shall not adopt  
3 any qualification less protective to the public than  
4 that contained in the National Association of Insur-  
5 ance Commissioners (referred to in this subtitle as  
6 the NAIC) Producer Licensing Model Act in effect  
7 as of the date of enactment of the National Associa-  
8 tion of Registered Agents and Brokers Reform Act  
9 of 2014, and shall consider the highest levels of in-  
10 surance producer qualifications established under  
11 the licensing laws of the States.

12           “(3) ASSISTANCE FROM STATES.—

13           “(A) IN GENERAL.—The Association may  
14 request a State to provide assistance in inves-  
15 tigating and evaluating the eligibility of a pro-  
16 spective member for membership in the Associa-  
17 tion.

18           “(B) AUTHORIZATION OF INFORMATION  
19 SHARING.—A submission under subsection  
20 (a)(4)(C)(i) made by an insurance producer li-  
21 censed in a State shall include a statement  
22 signed by the person about whom the assistance  
23 is requested authorizing—

24           “(i) the State to share information  
25 with the Association; and



1                   “(ii) the Association to receive the in-  
2                   formation.

3                   “(C) RULE OF CONSTRUCTION.—Subpara-  
4                   graph (A) shall not be construed as requiring or  
5                   authorizing any State to adopt new or addi-  
6                   tional requirements concerning the licensing or  
7                   evaluation of insurance producers.

8                   “(4) DENIAL OF MEMBERSHIP.—The Associa-  
9                   tion may, based on reasonably consistently applied  
10                  standards, deny membership to any State-licensed  
11                  insurance producer for failure to meet the member-  
12                  ship criteria established by the Association.

13                  “(e) EFFECT OF MEMBERSHIP.—

14                  “(1) AUTHORITY OF ASSOCIATION MEMBERS.—  
15                  Membership in the Association shall—

16                  “(A) authorize an insurance producer to  
17                  sell, solicit, or negotiate insurance in any State  
18                  for which the member pays the licensing fee set  
19                  by the State for any line or lines of insurance  
20                  specified in the home State license of the insur-  
21                  ance producer, and exercise all such incidental  
22                  powers as shall be necessary to carry out such  
23                  activities, including claims adjustments and set-  
24                  tlement to the extent permissible under the laws  
25                  of the State, risk management, employee bene-

1 fits advice, retirement planning, and any other  
2 insurance-related consulting activities;

3 “(B) be the equivalent of a nonresident in-  
4 surance producer license for purposes of author-  
5 izing the insurance producer to engage in the  
6 activities described in subparagraph (A) in any  
7 State where the member pays the licensing fee;  
8 and

9 “(C) be the equivalent of a nonresident in-  
10 surance producer license for the purpose of sub-  
11 jecting an insurance producer to all laws, regu-  
12 lations, provisions or other action of any State  
13 concerning revocation, suspension, or other en-  
14 forcement action related to the ability of a  
15 member to engage in any activity within the  
16 scope of authority granted under this subsection  
17 and to all State laws, regulations, provisions,  
18 and actions preserved under paragraph (5).

19 “(2) VIOLENT CRIME CONTROL AND LAW EN-  
20 FORCEMENT ACT OF 1994.—Nothing in this subtitle  
21 shall be construed to alter, modify, or supercede any  
22 requirement established by section 1033 of title 18,  
23 United States Code.

24 “(3) AGENT FOR REMITTING FEES.—The Asso-  
25 ciation shall act as an agent for any member for

1 purposes of remitting licensing fees to any State  
2 pursuant to paragraph (1).

3 “(4) NOTIFICATION OF ACTION.—

4 “(A) IN GENERAL.—The Association shall  
5 notify the States (including State insurance  
6 regulators) and the NAIC when an insurance  
7 producer has satisfied the membership criteria  
8 of this section. The States (including State in-  
9 surance regulators) shall have 10 business days  
10 after the date of the notification in order to  
11 provide the Association with evidence that the  
12 insurance producer does not satisfy the criteria  
13 for membership in the Association.

14 “(B) ONGOING DISCLOSURES REQUIRED.—

15 On an ongoing basis, the Association shall dis-  
16 close to the States (including State insurance  
17 regulators) and the NAIC a list of the States  
18 in which each member is authorized to operate.  
19 The Association shall immediately notify the  
20 States (including State insurance regulators)  
21 and the NAIC when a member is newly author-  
22 ized to operate in one or more States, or is no  
23 longer authorized to operate in one or more  
24 States on the basis of Association membership.

1           “(5) PRESERVATION OF CONSUMER PROTEC-  
2           TION AND MARKET CONDUCT REGULATION.—

3           “(A) IN GENERAL.—No provision of this  
4           section shall be construed as altering or affect-  
5           ing the applicability or continuing effectiveness  
6           of any law, regulation, provision, or other action  
7           of any State, including those described in sub-  
8           paragraph (B), to the extent that the State law,  
9           regulation, provision, or other action is not in-  
10          consistent with the provisions of this subtitle re-  
11          lated to market entry for nonresident insurance  
12          producers, and then only to the extent of the in-  
13          consistency.

14          “(B) PRESERVED REGULATIONS.—The  
15          laws, regulations, provisions, or other actions of  
16          any State referred to in subparagraph (A) in-  
17          clude laws, regulations, provisions, or other ac-  
18          tions that—

19                  “(i) regulate market conduct, insur-  
20                  ance producer conduct, or unfair trade  
21                  practices;

22                  “(ii) establish consumer protections;

23                  or

1                   “(iii) require insurance producers to  
2                   be appointed by a licensed or authorized  
3                   insurer.

4           “(f) BIENNIAL RENEWAL.—Membership in the Asso-  
5 ciation shall be renewed on a biennial basis.

6           “(g) CONTINUING EDUCATION.—

7                   “(1) IN GENERAL.—The Association shall es-  
8                   tablish, as a condition of membership, continuing  
9                   education requirements which shall be comparable to  
10                  the continuing education requirements under the li-  
11                  censing laws of a majority of the States.

12                  “(2) STATE CONTINUING EDUCATION REQUIRE-  
13                  MENTS.—A member may not be required to satisfy  
14                  continuing education requirements imposed under  
15                  the laws, regulations, provisions, or actions of any  
16                  State other than the home State of the member.

17                  “(3) RECIPROCITY.—The Association shall not  
18                  require a member to satisfy continuing education re-  
19                  quirements that are equivalent to any continuing  
20                  education requirements of the home State of the  
21                  member that have been satisfied by the member dur-  
22                  ing the applicable licensing period.

23                  “(4) LIMITATION ON THE ASSOCIATION.—The  
24                  Association shall not directly or indirectly offer any

1 continuing education courses for insurance pro-  
2 ducers.

3 “(h) PROBATION, SUSPENSION AND REVOCATION.—

4 “(1) DISCIPLINARY ACTION.—The Association  
5 may place an insurance producer that is a member  
6 of the Association on probation or suspend or revoke  
7 the membership of the insurance producer in the As-  
8 sociation, or assess monetary fines or penalties, as  
9 the Association determines to be appropriate, if—

10 “(A) the insurance producer fails to meet  
11 the applicable membership criteria or other  
12 standards established by the Association;

13 “(B) the insurance producer has been sub-  
14 ject to disciplinary action pursuant to a final  
15 adjudicatory proceeding under the jurisdiction  
16 of a State insurance regulator;

17 “(C) an insurance license held by the in-  
18 surance producer has been suspended or re-  
19 voked by a State insurance regulator; or

20 “(D) the insurance producer has been con-  
21 victed of a crime that would have resulted in  
22 the denial of membership pursuant to sub-  
23 section (a)(4)(L)(i) at the time of application,  
24 and the Association has received a copy of the

1 final disposition from a court of competent ju-  
2 risdiction.

3 “(2) VIOLATIONS OF ASSOCIATION STAND-  
4 ARDS.—The Association shall have the power to in-  
5 vestigate alleged violations of Association standards.

6 “(3) REPORTING.—The Association shall imme-  
7 diately notify the States (including State insurance  
8 regulators) and the NAIC when the membership of  
9 an insurance producer has been placed on probation  
10 or has been suspended, revoked, or otherwise termi-  
11 nated, or when the Association has assessed mone-  
12 tary fines or penalties.

13 “(i) CONSUMER COMPLAINTS.—

14 “(1) IN GENERAL.—The Association shall—

15 “(A) refer any complaint against a mem-  
16 ber of the Association from a consumer relating  
17 to alleged misconduct or violations of State in-  
18 surance laws to the State insurance regulator  
19 where the consumer resides and, when appro-  
20 priate, to any additional State insurance regu-  
21 lator, as determined by standards adopted by  
22 the Association; and

23 “(B) make any related records and infor-  
24 mation available to each State insurance regu-  
25 lator to whom the complaint is forwarded.

1           “(2) TELEPHONE AND OTHER ACCESS.—The  
2 Association shall maintain a toll-free number for  
3 purposes of this subsection and, as practicable, other  
4 alternative means of communication with consumers,  
5 such as an Internet webpage.

6           “(3) FINAL DISPOSITION OF INVESTIGATION.—  
7 State insurance regulators shall provide the Associa-  
8 tion with information regarding the final disposition  
9 of a complaint referred pursuant to paragraph  
10 (1)(A), but nothing shall be construed to compel a  
11 State to release confidential investigation reports or  
12 other information protected by State law to the As-  
13 sociation.

14          “(j) INFORMATION SHARING.—The Association  
15 may—

16           “(1) share documents, materials, or other infor-  
17 mation, including confidential and privileged docu-  
18 ments, with a State, Federal, or international gov-  
19 ernmental entity or with the NAIC or other appro-  
20 priate entity referenced in paragraphs (3) and (4),  
21 provided that the recipient has the authority and  
22 agrees to maintain the confidentiality or privileged  
23 status of the document, material, or other informa-  
24 tion;



1           “(2) limit the sharing of information as re-  
2           quired under this subtitle with the NAIC or any  
3           other non-governmental entity, in circumstances  
4           under which the Association determines that the  
5           sharing of such information is unnecessary to fur-  
6           ther the purposes of this subtitle;

7           “(3) establish a central clearinghouse, or utilize  
8           the NAIC or another appropriate entity, as deter-  
9           mined by the Association, as a central clearinghouse,  
10          for use by the Association and the States (including  
11          State insurance regulators), through which members  
12          of the Association may disclose their intent to oper-  
13          ate in 1 or more States and pay the licensing fees  
14          to the appropriate States; and

15          “(4) establish a database, or utilize the NAIC  
16          or another appropriate entity, as determined by the  
17          Association, as a database, for use by the Associa-  
18          tion and the States (including State insurance regu-  
19          lators) for the collection of regulatory information  
20          concerning the activities of insurance producers.

21          “(k) EFFECTIVE DATE.—The provisions of this sec-  
22          tion shall take effect on the later of—

23                 “(1) the expiration of the 2-year period begin-  
24                 ning on the date of enactment of the National Asso-

1        ciation of Registered Agents and Brokers Reform  
2        Act of 2014; and

3            “(2) the date of incorporation of the Associa-  
4        tion.

5        **“SEC. 324. BOARD OF DIRECTORS.**

6            “(a) ESTABLISHMENT.—There is established a board  
7        of directors of the Association, which shall have authority  
8        to govern and supervise all activities of the Association.

9            “(b) POWERS.—The Board shall have such of the  
10       powers and authority of the Association as may be speci-  
11       fied in the bylaws of the Association.

12          “(c) COMPOSITION.—

13            “(1) IN GENERAL.—The Board shall consist of  
14       13 members who shall be appointed by the Presi-  
15       dent, by and with the advice and consent of the Sen-  
16       ate, in accordance with the procedures established  
17       under Senate Resolution 116 of the 112th Congress,  
18       of whom—

19            “(A) 8 shall be State insurance commis-  
20       sioners appointed in the manner provided in  
21       paragraph (2), 1 of whom shall be designated  
22       by the President to serve as the chairperson of  
23       the Board until the Board elects one such State  
24       insurance commissioner Board member to serve  
25       as the chairperson of the Board;

1           “(B) 3 shall have demonstrated expertise  
2 and experience with property and casualty in-  
3 surance producer licensing; and

4           “(C) 2 shall have demonstrated expertise  
5 and experience with life or health insurance  
6 producer licensing.

7           “(2) STATE INSURANCE REGULATOR REP-  
8 REPRESENTATIVES.—

9           “(A) RECOMMENDATIONS.—Before making  
10 any appointments pursuant to paragraph  
11 (1)(A), the President shall request a list of rec-  
12 ommended candidates from the States through  
13 the NAIC, which shall not be binding on the  
14 President. If the NAIC fails to submit a list of  
15 recommendations not later than 15 business  
16 days after the date of the request, the President  
17 may make the requisite appointments without  
18 considering the views of the NAIC.

19           “(B) POLITICAL AFFILIATION.—Not more  
20 than 4 Board members appointed under para-  
21 graph (1)(A) shall belong to the same political  
22 party.

23           “(C) FORMER STATE INSURANCE COMMIS-  
24 SIONERS.—

1           “(i) IN GENERAL.—If, after offering  
2           each currently serving State insurance  
3           commissioner an appointment to the  
4           Board, fewer than 8 State insurance com-  
5           missioners have accepted appointment to  
6           the Board, the President may appoint the  
7           remaining State insurance commissioner  
8           Board members, as required under para-  
9           graph (1)(A), of the appropriate political  
10          party as required under subparagraph (B),  
11          from among individuals who are former  
12          State insurance commissioners.

13           “(ii) LIMITATION.—A former State  
14          insurance commissioner appointed as de-  
15          scribed in clause (i) may not be employed  
16          by or have any present direct or indirect fi-  
17          nancial interest in any insurer, insurance  
18          producer, or other entity in the insurance  
19          industry, other than direct or indirect own-  
20          ership of, or beneficial interest in, an in-  
21          surance policy or annuity contract written  
22          or sold by an insurer.

23           “(D) SERVICE THROUGH TERM.—If a  
24          Board member appointed under paragraph  
25          (1)(A) ceases to be a State insurance commis-

1           sioner during the term of the Board member,  
2           the Board member shall cease to be a Board  
3           member.

4           “(3) PRIVATE SECTOR REPRESENTATIVES.—In  
5           making any appointment pursuant to subparagraphs  
6           (B) and (C) of paragraph (1), the President may  
7           seek recommendations for candidates from groups  
8           representing the category of individuals described,  
9           which shall not be binding on the President.

10          “(4) STATE INSURANCE COMMISSIONER DE-  
11          FINED.—For purposes of this subsection, the term  
12          State insurance commissioner means a person who  
13          serves in the position in State government, or on the  
14          board, commission, or other body that is the primary  
15          insurance regulatory authority for the State.

16          “(d) TERMS.—

17                 “(1) IN GENERAL.—Except as provided under  
18                 paragraph (2), the term of service for each Board  
19                 member shall be 2 years.

20                 “(2) EXCEPTIONS.—

21                         “(A) 1-YEAR TERMS.—The term of service  
22                         shall be 1 year, as designated by the President  
23                         at the time of the nomination of the subject  
24                         Board members for—

1           “(i) 4 of the State insurance commis-  
2           sioner Board members initially appointed  
3           under paragraph (1)(A), of whom not more  
4           than 2 shall belong to the same political  
5           party;

6           “(ii) 1 of the Board members initially  
7           appointed under paragraph (1)(B); and

8           “(iii) 1 of the Board members initially  
9           appointed under paragraph (1)(C).

10          “(B) EXPIRATION OF TERM.—A Board  
11          member may continue to serve after the expira-  
12          tion of the term to which the Board member  
13          was appointed for the earlier of 2 years or until  
14          a successor is appointed.

15          “(C) MID-TERM APPOINTMENTS.—A  
16          Board member appointed to fill a vacancy oc-  
17          curring before the expiration of the term for  
18          which the predecessor of the Board member  
19          was appointed shall be appointed only for the  
20          remainder of that term.

21          “(3) SUCCESSIVE TERMS.—Board members  
22          may be reappointed to successive terms.

23          “(e) INITIAL APPOINTMENTS.—The appointment of  
24          initial Board members shall be made no later than 90 days

1 after the date of enactment of the National Association  
2 of Registered Agents and Brokers Reform Act of 2014.

3 “(f) MEETINGS.—

4 “(1) IN GENERAL.—The Board shall meet—

5 “(A) at the call of the chairperson;

6 “(B) as requested in writing to the chair-  
7 person by not fewer than 5 Board members; or

8 “(C) as otherwise provided by the bylaws  
9 of the Association.

10 “(2) QUORUM REQUIRED.—A majority of all  
11 Board members shall constitute a quorum.

12 “(3) VOTING.—Decisions of the Board shall re-  
13 quire the approval of a majority of all Board mem-  
14 bers present at a meeting, a quorum being present.

15 “(4) INITIAL MEETING.—The Board shall hold  
16 its first meeting not later than 45 days after the  
17 date on which all initial Board members have been  
18 appointed.

19 “(g) RESTRICTION ON CONFIDENTIAL INFORMA-  
20 TION.—Board members appointed pursuant to subpara-  
21 graphs (B) and (C) of subsection (e)(1) shall not have ac-  
22 cess to confidential information received by the Associa-  
23 tion in connection with complaints, investigations, or dis-  
24 ciplinary proceedings involving insurance producers.

1       “(h) ETHICS AND CONFLICTS OF INTEREST.—The  
2 Board shall issue and enforce an ethical conduct code to  
3 address permissible and prohibited activities of Board  
4 members and Association officers, employees, agents, or  
5 consultants. The code shall, at a minimum, include provi-  
6 sions that prohibit any Board member or Association offi-  
7 cer, employee, agent or consultant from—

8           “(1) engaging in unethical conduct in the  
9 course of performing Association duties;

10          “(2) participating in the making or influencing  
11 the making of any Association decision, the outcome  
12 of which the Board member, officer, employee,  
13 agent, or consultant knows or had reason to know  
14 would have a reasonably foreseeable material finan-  
15 cial effect, distinguishable from its effect on the pub-  
16 lic generally, on the person or a member of the im-  
17 mediate family of the person;

18          “(3) accepting any gift from any person or enti-  
19 ty other than the Association that is given because  
20 of the position held by the person in the Association;

21          “(4) making political contributions to any per-  
22 son or entity on behalf of the Association; and

23          “(5) lobbying or paying a person to lobby on  
24 behalf of the Association.

25       “(i) COMPENSATION.—



1           “(1) IN GENERAL.—Except as provided in para-  
2 graph (2), no Board member may receive any com-  
3 pensation from the Association or any other person  
4 or entity on account of Board membership.

5           “(2) TRAVEL EXPENSES AND PER DIEM.—  
6 Board members may be reimbursed only by the As-  
7 sociation for travel expenses, including per diem in  
8 lieu of subsistence, at rates consistent with rates au-  
9 thorized for employees of Federal agencies under  
10 subchapter I of chapter 57 of title 5, United States  
11 Code, while away from home or regular places of  
12 business in performance of services for the Associa-  
13 tion.

14 **“SEC. 325. BYLAWS, STANDARDS, AND DISCIPLINARY AC-**  
15 **TIONS.**

16           “(a) ADOPTION AND AMENDMENT OF BYLAWS AND  
17 STANDARDS.—

18           “(1) PROCEDURES.—The Association shall  
19 adopt procedures for the adoption of bylaws and  
20 standards that are similar to procedures under sub-  
21 chapter II of chapter 5 of title 5, United States  
22 Code (commonly known as the Administrative Proce-  
23 dure Act).

24           “(2) COPY REQUIRED TO BE FILED.—The  
25 Board shall submit to the President, through the

1 Department of the Treasury, and the States (includ-  
2 ing State insurance regulators), and shall publish on  
3 the website of the Association, all proposed bylaws  
4 and standards of the Association, or any proposed  
5 amendment to the bylaws or standards of the Asso-  
6 ciation, accompanied by a concise general statement  
7 of the basis and purpose of such proposal.

8 “(3) EFFECTIVE DATE.—Any proposed bylaw  
9 or standard of the Association, and any proposed  
10 amendment to the bylaws or standards of the Asso-  
11 ciation, shall take effect, after notice under para-  
12 graph (2) and opportunity for public comment, on  
13 such date as the Association may designate, unless  
14 suspended under section 329(e).

15 “(4) RULE OF CONSTRUCTION.—Nothing in  
16 this section shall be construed to subject the Board  
17 or the Association to the requirements of subchapter  
18 II of chapter 5 of title 5, United States Code (com-  
19 monly known as the Administrative Procedure Act).

20 “(b) DISCIPLINARY ACTION BY THE ASSOCIATION.—

21 “(1) SPECIFICATION OF CHARGES.—In any pro-  
22 ceeding to determine whether membership shall be  
23 denied, suspended, revoked, or not renewed, or to  
24 determine whether a member of the Association  
25 should be placed on probation (referred to in this

1 section as a disciplinary action) or whether to assess  
2 fines or monetary penalties, the Association shall  
3 bring specific charges, notify the member of the  
4 charges, give the member an opportunity to defend  
5 against the charges, and keep a record.

6 “(2) SUPPORTING STATEMENT.—A determina-  
7 tion to take disciplinary action shall be supported by  
8 a statement setting forth—

9 “(A) any act or practice in which the mem-  
10 ber has been found to have been engaged;

11 “(B) the specific provision of this subtitle  
12 or standard of the Association that any such  
13 act or practice is deemed to violate; and

14 “(C) the sanction imposed and the reason  
15 for the sanction.

16 “(3) INELIGIBILITY OF PRIVATE SECTOR REP-  
17 RESENTATIVES.—Board members appointed pursu-  
18 ant to section 324(c)(3) may not—

19 “(A) participate in any disciplinary action  
20 or be counted toward establishing a quorum  
21 during a disciplinary action; and

22 “(B) have access to confidential informa-  
23 tion concerning any disciplinary action.

1 **“SEC. 326. POWERS.**

2 “In addition to all the powers conferred upon a non-  
3 profit corporation by the District of Columbia Nonprofit  
4 Corporation Act, the Association shall have the power to—

5 “(1) establish and collect such membership fees  
6 as the Association finds necessary to impose to cover  
7 the costs of its operations;

8 “(2) adopt, amend, and repeal bylaws, proce-  
9 dures, or standards governing the conduct of Asso-  
10 ciation business and performance of its duties;

11 “(3) establish procedures for providing notice  
12 and opportunity for comment pursuant to section  
13 325(a);

14 “(4) enter into and perform such agreements as  
15 necessary to carry out the duties of the Association;

16 “(5) hire employees, professionals, or special-  
17 ists, and elect or appoint officers, and to fix their  
18 compensation, define their duties and give them ap-  
19 propriate authority to carry out the purposes of this  
20 subtitle, and determine their qualification;

21 “(6) establish personnel policies of the Associa-  
22 tion and programs relating to, among other things,  
23 conflicts of interest, rates of compensation, where  
24 applicable, and qualifications of personnel;

25 “(7) borrow money; and

1           “(8) secure funding for such amounts as the  
2 Association determines to be necessary and appro-  
3 priate to organize and begin operations of the Asso-  
4 ciation, which shall be treated as loans to be repaid  
5 by the Association with interest at market rate.

6 **“SEC. 327. REPORT BY THE ASSOCIATION.**

7           “(a) IN GENERAL.—As soon as practicable after the  
8 close of each fiscal year, the Association shall submit to  
9 the President, through the Department of the Treasury,  
10 and the States (including State insurance regulators), and  
11 shall publish on the website of the Association, a written  
12 report regarding the conduct of its business, and the exer-  
13 cise of the other rights and powers granted by this sub-  
14 title, during such fiscal year.

15           “(b) FINANCIAL STATEMENTS.—Each report sub-  
16 mitted under subsection (a) with respect to any fiscal year  
17 shall include audited financial statements setting forth the  
18 financial position of the Association at the end of such  
19 fiscal year and the results of its operations (including the  
20 source and application of its funds) for such fiscal year.

21 **“SEC. 328. LIABILITY OF THE ASSOCIATION AND THE**  
22 **BOARD MEMBERS, OFFICERS, AND EMPLOY-**  
23 **EES OF THE ASSOCIATION.**

24           “(a) IN GENERAL.—The Association shall not be  
25 deemed to be an insurer or insurance producer within the

1 meaning of any State law, rule, regulation, or order regu-  
2 lating or taxing insurers, insurance producers, or other en-  
3 tities engaged in the business of insurance, including pro-  
4 visions imposing premium taxes, regulating insurer sol-  
5 vency or financial condition, establishing guaranty funds  
6 and levying assessments, or requiring claims settlement  
7 practices.

8       “(b) LIABILITY OF BOARD MEMBERS, OFFICERS,  
9 AND EMPLOYEES.—No Board member, officer, or em-  
10 ployee of the Association shall be personally liable to any  
11 person for any action taken or omitted in good faith in  
12 any matter within the scope of their responsibilities in con-  
13 nection with the Association.

14 **“SEC. 329. PRESIDENTIAL OVERSIGHT.**

15       “(a) REMOVAL OF BOARD.—If the President deter-  
16 mines that the Association is acting in a manner contrary  
17 to the interests of the public or the purposes of this sub-  
18 title or has failed to perform its duties under this subtitle,  
19 the President may remove the entire existing Board for  
20 the remainder of the term to which the Board members  
21 were appointed and appoint, in accordance with section  
22 324 and with the advice and consent of the Senate, in  
23 accordance with the procedures established under Senate  
24 Resolution 116 of the 112th Congress, new Board mem-

1 bers to fill the vacancies on the Board for the remainder  
2 of the terms.

3 “(b) REMOVAL OF BOARD MEMBER.—The President  
4 may remove a Board member only for neglect of duty or  
5 malfeasance in office.

6 “(c) SUSPENSION OF BYLAWS AND STANDARDS AND  
7 PROHIBITION OF ACTIONS.—Following notice to the  
8 Board, the President, or a person designated by the Presi-  
9 dent for such purpose, may suspend the effectiveness of  
10 any bylaw or standard, or prohibit any action, of the Asso-  
11 ciation that the President or the designee determines is  
12 contrary to the purposes of this subtitle.

13 **“SEC. 330. RELATIONSHIP TO STATE LAW.**

14 “(a) PREEMPTION OF STATE LAWS.—State laws,  
15 regulations, provisions, or other actions purporting to reg-  
16 ulate insurance producers shall be preempted to the extent  
17 provided in subsection (b).

18 “(b) PROHIBITED ACTIONS.—

19 “(1) IN GENERAL.—No State shall—

20 “(A) impede the activities of, take any ac-  
21 tion against, or apply any provision of law or  
22 regulation arbitrarily or discriminatorily to, any  
23 insurance producer because that insurance pro-  
24 ducer or any affiliate plans to become, has ap-

1           plied to become, or is a member of the Associa-  
2           tion;

3           “(B) impose any requirement upon a mem-  
4           ber of the Association that it pay fees different  
5           from those required to be paid to that State  
6           were it not a member of the Association; or

7           “(C) impose any continuing education re-  
8           quirements on any nonresident insurance pro-  
9           ducer that is a member of the Association.

10          “(2) STATES OTHER THAN A HOME STATE.—  
11          No State, other than the home State of a member  
12          of the Association, shall—

13                 “(A) impose any licensing, personal or cor-  
14                 porate qualifications, education, training, expe-  
15                 rience, residency, continuing education, or  
16                 bonding requirement upon a member of the As-  
17                 sociation that is different from the criteria for  
18                 membership in the Association or renewal of  
19                 such membership;

20                 “(B) impose any requirement upon a mem-  
21                 ber of the Association that it be licensed, reg-  
22                 istered, or otherwise qualified to do business or  
23                 remain in good standing in the State, including  
24                 any requirement that the insurance producer



1 register as a foreign company with the sec-  
2 retary of state or equivalent State official;

3 “(C) require that a member of the Associa-  
4 tion submit to a criminal history record check  
5 as a condition of doing business in the State; or

6 “(D) impose any licensing, registration, or  
7 appointment requirements upon a member of  
8 the Association, or require a member of the As-  
9 sociation to be authorized to operate as an in-  
10 surance producer, in order to sell, solicit, or ne-  
11 gotiate insurance for commercial property and  
12 casualty risks to an insured with risks located  
13 in more than one State, if the member is li-  
14 censed or otherwise authorized to operate in the  
15 State where the insured maintains its principal  
16 place of business and the contract of insurance  
17 insures risks located in that State.

18 “(3) PRESERVATION OF STATE DISCIPLINARY  
19 AUTHORITY.—Nothing in this section may be con-  
20 strued to prohibit a State from investigating and  
21 taking appropriate disciplinary action, including sus-  
22 pension or revocation of authority of an insurance  
23 producer to do business in a State, in accordance  
24 with State law and that is not inconsistent with the  
25 provisions of this section, against a member of the

1 Association as a result of a complaint or for any al-  
2 leged activity, regardless of whether the activity oc-  
3 curred before or after the insurance producer com-  
4 menced doing business in the State pursuant to As-  
5 sociation membership.

6 **“SEC. 331. COORDINATION WITH FINANCIAL INDUSTRY**  
7 **REGULATORY AUTHORITY.**

8 “The Association shall coordinate with the Financial  
9 Industry Regulatory Authority in order to ease any admin-  
10 istrative burdens that fall on members of the Association  
11 that are subject to regulation by the Financial Industry  
12 Regulatory Authority, consistent with the requirements of  
13 this subtitle and the Federal securities laws.

14 **“SEC. 332. RIGHT OF ACTION.**

15 “(a) RIGHT OF ACTION.—Any person aggrieved by  
16 a decision or action of the Association may, after reason-  
17 ably exhausting available avenues for resolution within the  
18 Association, commence a civil action in an appropriate  
19 United States district court, and obtain all appropriate re-  
20 lief.

21 “(b) ASSOCIATION INTERPRETATIONS.—In any ac-  
22 tion under subsection (a), the court shall give appropriate  
23 weight to the interpretation of the Association of its by-  
24 laws and standards and this subtitle.

1 **“SEC. 333. FEDERAL FUNDING PROHIBITED.**

2 “The Association may not receive, accept, or borrow  
3 any amounts from the Federal Government to pay for, or  
4 reimburse the Association for, the costs of establishing or  
5 operating the Association.

6 **“SEC. 334. DEFINITIONS.**

7 “For purposes of this subtitle, the following defini-  
8 tions shall apply:

9 “(1) BUSINESS ENTITY.—The term business  
10 entity means a corporation, association, partnership,  
11 limited liability company, limited liability partner-  
12 ship, or other legal entity.

13 “(2) DEPOSITORY INSTITUTION.—The term de-  
14 pository institution has the meaning as in section 3  
15 of the Federal Deposit Insurance Act (12 U.S.C.  
16 1813).

17 “(3) HOME STATE.—The term home State  
18 means the State in which the insurance producer  
19 maintains its principal place of residence or business  
20 and is licensed to act as an insurance producer.

21 “(4) INSURANCE.—The term insurance means  
22 any product, other than title insurance or bail  
23 bonds, defined or regulated as insurance by the ap-  
24 propriate State insurance regulatory authority.

25 “(5) INSURANCE PRODUCER.—The term insur-  
26 ance producer means any insurance agent or broker,

1 excess or surplus lines broker or agent, insurance  
2 consultant, limited insurance representative, and any  
3 other individual or entity that sells, solicits, or nego-  
4 tiates policies of insurance or offers advice, counsel,  
5 opinions or services related to insurance.

6 “(6) INSURER.—The term insurer has the  
7 meaning as in section 313(e)(2)(B) of title 31,  
8 United States Code.

9 “(7) PRINCIPAL PLACE OF BUSINESS.—The  
10 term principal place of business means the State in  
11 which an insurance producer maintains the head-  
12 quarters of the insurance producer and, in the case  
13 of a business entity, where high-level officers of the  
14 entity direct, control, and coordinate the business  
15 activities of the business entity.

16 “(8) PRINCIPAL PLACE OF RESIDENCE.—The  
17 term principal place of residence means the State in  
18 which an insurance producer resides for the greatest  
19 number of days during a calendar year.

20 “(9) STATE.—The term State includes any  
21 State, the District of Columbia, any territory of the  
22 United States, and Puerto Rico, Guam, American  
23 Samoa, the Trust Territory of the Pacific Islands,  
24 the Virgin Islands, and the Northern Mariana Is-  
25 lands.

1           “(10) STATE LAW.—

2                   “(A) IN GENERAL.—The term State law  
3 includes all laws, decisions, rules, regulations,  
4 or other State action having the effect of law,  
5 of any State.

6                   “(B) LAWS APPLICABLE IN THE DISTRICT  
7 OF COLUMBIA.—A law of the United States ap-  
8 plicable only to or within the District of Colum-  
9 bia shall be treated as a State law rather than  
10 a law of the United States.”.

11           (b) TECHNICAL AMENDMENT.—The table of contents  
12 for the Gramm-Leach-Bliley Act is amended by striking  
13 the items relating to subtitle C of title III and inserting  
14 the following new items:

          “Subtitle C—National Association of Registered Agents and Brokers

“Sec. 321. National Association of Registered Agents and Brokers.

“Sec. 322. Purpose.

“Sec. 323. Membership.

“Sec. 324. Board of directors.

“Sec. 325. Bylaws, standards, and disciplinary actions.

“Sec. 326. Powers.

“Sec. 327. Report by the Association.

“Sec. 328. Liability of the Association and the Board members, officers, and  
employees of the Association.

“Sec. 329. Presidential oversight.

“Sec. 330. Relationship to State law.

“Sec. 331. Coordination with Financial Industry Regulatory Authority.

“Sec. 332. Right of action.

“Sec. 333. Federal funding prohibited.  
“Sec. 334. Definitions.”.

Passed the Senate January 30, 2014.

Attest:

*Secretary.*



113<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

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# **S. 1926**

## **AN ACT**

To delay the implementation of certain provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 and to reform the National Association of Registered Agents and Brokers, and for other purposes.