

118TH CONGRESS  
1ST SESSION

# S. 602

To require the Administrator of the Federal Emergency Management Agency to take certain actions relating to the National Flood Insurance Program, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MARCH 1, 2023

Mr. KENNEDY (for himself and Mrs. HYDE-SMITH) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To require the Administrator of the Federal Emergency Management Agency to take certain actions relating to 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 “Risk Rating 2.0 Trans-  
5       parency Act”.

6       **SEC. 2. TRANSPARENCY REQUIREMENTS.**

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

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

4           (2) the term “National Flood Insurance Pro-  
5           gram” means the program established under the Na-  
6           tional Flood Insurance Act of 1968 (42 U.S.C. 4001  
7           et seq.).

8           (b) REQUIRED ACTIONS.—Not later than 1 year after  
9           the date of enactment of this Act, the Administrator shall  
10          complete each of the following actions:

11           (1) Make available to the public all data and  
12          methods used to prescribe chargeable premium rates  
13          for types and classes of properties for which insur-  
14          ance coverage is available under the National Flood  
15          Insurance Act of 1968 (42 U.S.C. 4001 et seq.) (re-  
16          ferred to in this subsection as “chargeable premium  
17          rates”) under Risk Rating 2.0, or any substantially  
18          similar methodology.

19           (2) Create an online database that is available  
20          to policyholders under the National Flood Insurance  
21          Program that provides each such policyholder with  
22          information regarding what the chargeable premium  
23          rate for the applicable property of the policyholder  
24          would be—

1 (A) under Risk Rating 2.0, or any sub-  
2 stantially similar methodology; and

3 (B) assuming that the limitation under  
4 section 1308(e) of the National Flood Insur-  
5 ance Act of 1968 (42 U.S.C. 4015(e)) were not  
6 in effect.

7 (3) Complete and publish a comprehensive as-  
8 sessment of the economic and social impacts of im-  
9 plementing Risk Rating 2.0 (or any substantially  
10 similar methodology) during the 20-year period be-  
11 ginning in the year in which the assessment is made,  
12 which shall include an evaluation of the effect that  
13 such implementation will have, during that 20-year  
14 period, on—

15 (A) the affordability and availability of  
16 flood insurance under the National Flood Insur-  
17 ance Program;

18 (B) property values; and

19 (C) non-Federal Government revenues.

20 (4) Supplement (and revise, as appropriate) the  
21 Record of Decision for the final nationwide pro-  
22 grammatic environmental impact statement evalu-  
23 ating the environmental impacts of proposed modi-  
24 fications to the National Flood Insurance Program  
25 (83 Fed. Reg. 24328) to include the impacts of im-

1       plementing Risk Rating 2.0, or any substantially  
2       similar methodology.

3               (5) Demonstrate that the data and methods  
4       used to prescribe chargeable premium rates under  
5       Risk Rating 2.0, or any substantially similar meth-  
6       odology, satisfy the requirements under section 515  
7       of the Consolidated Appropriations Act, 2001 (Pub-  
8       lic Law 106–554; 114 Stat. 2763A–153), including  
9       that, in implementing that methodology, the Admin-  
10      istrator ensures and maximizes the quality, objec-  
11      tivity, utility, and integrity of information dissemi-  
12      nated by the Administrator.

13              (6) Conduct public notice and comment rule-  
14      making under chapter 5 of title 5, United States  
15      Code, regarding Risk Rating 2.0, or any substan-  
16      tially similar methodology, which shall include the  
17      development of a fair, transparent, and streamlined  
18      process to manage—

19                      (A) disputes over chargeable premium  
20                      rates; and

21                      (B) other factors with respect to the imple-  
22                      mentation of that methodology.

23              (7) For each county in the United States, pub-  
24      lish the distribution of chargeable premium rates  
25      showing the median, mean, lower and upper quar-

1 tiles, maximum amount, and minimum amount of  
2 chargeable premium rates under each of the fol-  
3 lowing:

4 (A) The method used to prescribe charge-  
5 able premium rates, as of September 30, 2021.

6 (B) The methodology projected to be used  
7 to prescribe chargeable premium rates, as of  
8 April 1, 2022, assuming that the limitations  
9 under section 1308(e) of the National Flood In-  
10 surance Act of 1968 (42 U.S.C. 4015(e)) are  
11 applied.

12 (C) The methodology described in subpara-  
13 graph (B), assuming that the limitations de-  
14 scribed in that subparagraph are not applied.

15 (D) The methodology described in sub-  
16 paragraph (B), assuming that—

17 (i) the limitations described in that  
18 subparagraph are applied; and

19 (ii) the administrative costs of the Na-  
20 tional Flood Insurance Program are allo-  
21 cated on a uniform, per contract basis  
22 rather than as allocated under Risk Rating  
23 2.0, or any substantially similar method-  
24 ology.

1           (E) The methodology described in subpara-  
2 graph (B), assuming that—

3           (i) the limitations described in that  
4 subparagraph are not applied; and

5           (ii) the administrative costs of the Na-  
6 tional Flood Insurance Program are allo-  
7 cated on a uniform, per contract basis  
8 rather than as allocated under Risk Rating  
9 2.0, or any substantially similar method-  
10 ology.

11           (8) Submit to the Committee on Banking,  
12 Housing, and Urban Affairs of the Senate and the  
13 Committee on Financial Services of the House of  
14 Representatives a report detailing the satisfaction of  
15 the requirements under paragraphs (1) through (7).

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