

118TH CONGRESS  
1ST SESSION

# S. 721

To permit policyholders under the National Flood Insurance Program to elect to have previous premium rates remain in effect until the Administrator of the Federal Emergency Management Agency satisfies certain conditions, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MARCH 8, 2023

Mrs. HYDE-SMITH (for herself, Mr. CRUZ, Mr. KENNEDY, and Mr. CASSIDY) 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 permit policyholders under the National Flood Insurance Program to elect to have previous premium rates remain in effect until the Administrator of the Federal Emergency Management Agency satisfies certain conditions, 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 “Homeowner Flood In-  
5 surance Transparency and Protection Act”.

6 **SEC. 2. CHARGEABLE PREMIUM RATES.**

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) OPTION FOR POLICYHOLDERS.—

9           (1) IN GENERAL.—Notwithstanding section  
10          1308 of the National Flood Insurance Act of 1968  
11          (42 U.S.C. 4015), a policyholder under the National  
12          Flood Insurance Program may elect to have the  
13          chargeable premium rate for the applicable property  
14          of the policyholder, as in effect on April 1, 2020,  
15          apply and remain in effect during the period begin-  
16          ning on the date of enactment of this Act and end-  
17          ing on the date on which the Administrator com-  
18          pletes all of the actions described in subsection (c),  
19          without regard to the chargeable premium rate that  
20          is in effect for that property, as of the day before  
21          the date of enactment of this Act.

22          (2) NOTIFICATION REQUIREMENT.—The Ad-  
23          ministrator shall provide each policyholder under the  
24          National Flood Insurance Program a notification re-

1        regarding the right of the policyholder under para-  
2        graph (1).

3        (c) REQUIRED ACTIONS.—The actions of the Admin-  
4        istrator described in this subsection are as follows:

5            (1) Makes available to the public all data and  
6            methods used to prescribe chargeable premium rates  
7            for types and classes of properties for which insur-  
8            ance coverage is available under the National Flood  
9            Insurance Act of 1968 (42 U.S.C. 4001 et seq.) (re-  
10          referred to in this subsection as “chargeable premium  
11          rates”) under Risk Rating 2.0, or any substantially  
12          similar methodology.

13          (2) Creates an online database that is available  
14          to policyholders under the National Flood Insurance  
15          Program that provides each such policyholder with  
16          information regarding what the chargeable premium  
17          rate for the applicable property of the policyholder  
18          would be—

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

21            (B) assuming that the limitation under  
22            section 1308(e) of the National Flood Insur-  
23            ance Act of 1968 (42 U.S.C. 4015(e)) were not  
24            in effect.

1           (3) Completes and publishes a comprehensive  
2 assessment of the economic and social impacts of  
3 implementing Risk Rating 2.0 (or any substantially  
4 similar methodology) during the 20-year period be-  
5 ginning in the year in which the assessment is made,  
6 which shall include an evaluation of the effect that  
7 such implementation will have, during that 20-year  
8 period, on—

9                   (A) the affordability and availability of  
10 flood insurance under the National Flood Insur-  
11 ance Program;

12                   (B) property values; and

13                   (C) non-Federal Government revenues.

14           (4) Supplements (and revises, as appropriate)  
15 the Record of Decision for the final nationwide pro-  
16 grammatic environmental impact statement evalu-  
17 ating the environmental impacts of proposed modi-  
18 fications to the National Flood Insurance Program  
19 (83 Fed. Reg. 24328) to include the impacts of im-  
20 plementing Risk Rating 2.0, or any substantially  
21 similar methodology.

22           (5) Demonstrates that the data and methods  
23 used to prescribe chargeable premium rates under  
24 Risk Rating 2.0, or any substantially similar meth-  
25 odology, satisfy the requirements under section 515

1 of the Consolidated Appropriations Act, 2001 (Pub-  
2 lic Law 106–554; 114 Stat. 2763A–153), including  
3 that, in implementing that methodology, the Admin-  
4 istrator ensures and maximizes the quality, objec-  
5 tivity, utility, and integrity of information dissemi-  
6 nated by the Administrator.

7 (6) Conducts public notice and comment rule  
8 making under chapter 5 of title 5, United States  
9 Code, regarding Risk Rating 2.0, or any substan-  
10 tially similar methodology, which shall include the  
11 development of a fair, transparent, and streamlined  
12 process to manage—

13 (A) disputes over chargeable premium  
14 rates; and

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

17 (7) For each county in the United States, pub-  
18 lishes the distribution of chargeable premium rates  
19 showing the median, mean, lower and upper quar-  
20 tiles, maximum amount, and minimum amount of  
21 chargeable premium rates under each of the fol-  
22 lowing:

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

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

7 (C) The methodology described in subpara-  
8 graph (B), assuming that the limitations de-  
9 scribed in that subparagraph are not applied.

10 (D) The methodology described in sub-  
11 paragraph (B), assuming that—

12 (i) the limitations described in that  
13 subparagraph are applied; and

14 (ii) the administrative costs of the Na-  
15 tional Flood Insurance Program are allo-  
16 cated on a uniform, per contract basis  
17 rather than as allocated under Risk Rating  
18 2.0, or any substantially similar method-  
19 ology.

20 (E) The methodology described in subpara-  
21 graph (B), assuming that—

22 (i) the limitations described in that  
23 subparagraph are not applied; and

24 (ii) the administrative costs of the Na-  
25 tional Flood Insurance Program are allo-

1 cated on a uniform, per contract basis  
2 rather than as allocated under Risk Rating  
3 2.0, or any substantially similar method-  
4 ology.

5 (8) Submits to the Committee on Banking,  
6 Housing, and Urban Affairs of the Senate and the  
7 Committee on Financial Services of the House of  
8 Representatives a report detailing the satisfaction of  
9 the requirements under paragraphs (1) through (7).

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