

**Amendment in the Nature of a Substitute to H.R. 2874  
Offered by Rep. Waters**

Strike all and insert the following:

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “Sustainable, Affordable, Fair, and Efficient (SAFE) National Flood Insurance Program Reauthorization Act of 2017”.

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

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Sec.102.Limitation on increases of premiums, surcharges, and mapping fees.

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Sec.423.Improved disclosure requirements.

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Sec.425.Technical and conforming amendments.

#### SEC. 3. DEFINITIONS.

In this Act—

(1) the term “Administrator” means the Administrator of the Federal Emergency Management Agency;

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

(3) the term “National Flood Insurance Program” means the program established under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.);

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

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

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

(7) the term “Write Your Own Program” means the cooperative undertaking between the insurance industry and the Federal Insurance and Mitigation Administration that allows participating property and casualty insurance companies to write and service standard flood insurance policies.

## TITLE I—REAUTHORIZATION AND AFFORDABILITY

### SEC. 101. EXTENSION OF NATIONAL FLOOD INSURANCE PROGRAM.

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

(b) Program Expiration.—Section 1319 of the National Flood Insurance Act of 1968 (42 U.S.C. 4026) is amended by striking “September 30, 2017” and inserting “September 30, 2023”.

### SEC. 102. LIMITATION ON INCREASES OF PREMIUMS, SURCHARGES, AND MAPPING FEES.

(a) Definition.—In this section, the term “covered cost” means—

(1) the amount of an annual premium with respect to any policy for flood insurance under the National Flood Insurance Program;

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

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

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

(3) a fee described in paragraph (1)(B)(iii) or (2) of section 1307(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(a)).

(b) Limitation on Increases.—During the 6-year period beginning on the date of enactment of this Act, and notwithstanding section 1308(e) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(e)), the Administrator may not, in any year, increase the amount of any covered cost by an amount that is more than 10 percent, as compared with the amount of the covered cost during the previous year.

(c) Rule of Construction.—Nothing in subsection (b) may be construed as prohibiting the Administrator from reducing, in any year, the amount of any covered cost, as compared with the amount of the covered cost during the previous year.

(d) Average Historical Loss Year.—Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015) is amended by striking subsection (h) and inserting the following:

“(h) Rule of Construction.—For purposes of this section, the calculation of an ‘average historical loss year’ shall be computed in accordance with generally accepted actuarial principles.”.

#### SEC. 103. MEANS-TESTED MITIGATION AND AFFORDABILITY ASSISTANCE.

(a) In General.—Chapter I of the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.) is amended by adding at the end the following:

#### “SEC. 1326. AFFORDABILITY ASSISTANCE.

“(a) Definitions.—In this section—

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

“(2) the term ‘covered project’ means a mitigation project with respect to a household that reduces the total amount of actuarial risk during a 50-year period by an amount that is greater than the total cost of the project, subject to subsection (d);

“(3) the term ‘eligible household’ means a household for which—

“(A) housing expenses exceed 30 percent of the adjusted gross income of the household in a year; and

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

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

“(A) mortgage payments;

“(B) property taxes;

“(C) homeowners insurance;

“(D) premiums for flood insurance under the national flood insurance program; and

“(E) principal and interest payments for a loan provided under this section.

“(b) Authority.—

“(1) LOANS FOR COVERED PROJECTS.—The Administrator shall create a separate account and provide a low- or zero-interest loan to an eligible household to fund a covered project.

“(2) OTHER FINANCIAL ASSISTANCE.—The Administrator shall provide a voucher, grant, or premium credit to an eligible household for a year in an amount that is equal to the lesser of—

“(A) the difference between—

“(i) the housing expenses of the household for the year; and

“(ii) 30 percent of the adjusted gross income of the household for the year; and  
“(B) the sum of—

“(i) the cost of premiums for the household for flood insurance under the national flood insurance program for the year; and

“(ii) principal and interest payments for the household for the year for a loan provided under this section.

“(c) Relationships With Other Agencies.—The Administrator may enter into a memorandum of understanding with the head of any other Federal agency to administer the provision of loans under subsection (b)(1).

“(d) Use of Discount Rate in Calculation.—The Administrator shall calculate the amounts under subsection (a)(2) using a discount rate of 3 percent.”.

(b) Technical and Conforming Amendment.—Section 1310(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(a)) is amended—

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

(2) in paragraph (8), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:

“(9) for making loans under section 1326(b)(1).”.

#### SEC. 104. COVERAGE EXPANSION.

Section 1306(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(b)) is amended—

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

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

#### SEC. 105. ADDITIONAL COVERAGE FOR BUSINESS INTERRUPTION.

(a) In General.—The Administrator shall conduct a study on the feasibility and soundness of offering coverage for interruption business losses caused by a flood under the National Flood Insurance Program (referred to in this section as “business interruption coverage”).

(b) Contents.—In conducting the study under subsection (a), the Administrator shall, at a minimum—

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

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

(3) analyze the operational and administrative expenses associated with providing business interruption coverage and adjusting claims;

(4) identify potential obstacles that may prevent the Administrator from offering business interruption coverage;

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

(6) analyze any potential impacts on the financial position of the National Flood Insurance Program; and

(7) develop a feasibility implementation plan and projected timelines for offering business interruption coverage.

(c) Availability of Experts.—In conducting the study under subsection (a), the Administrator may accept and utilize the personnel and services of any other Federal agency, and appoint and fix the compensation of temporary personnel without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, or employ experts and consultants in accordance with the provisions of section 3109 of such title, without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

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

## TITLE II—MITIGATION AND MAPPING

### SEC. 201. ICC EXPANSION.

(a) Increase of Limitation on Liability.—Not later than 180 days after the date of enactment of this Act, the Administrator shall amend the Standard Flood Insurance Policy to increase the limitation on liability relating to “Coverage D—Increased Cost of Compliance” from \$30,000 to \$100,000.

(b) Expansion of Eligibility; Clarification With Respect to Coverage Limits; Non-Federal Match.—

(1) IN GENERAL.—Section 1304(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4011(b)) is amended—

(A) in paragraph (4), by redesignating subparagraphs (A) through (D) as clauses (i) through (iv), respectively, and adjusting the margins accordingly;

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

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

“(1) IN GENERAL.—The national”;

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

(i) in subparagraph (A), as so redesignated, by inserting “, without regard to whether the property is in an area having special flood hazards” after “loss structures”;

(ii) in subparagraph (C), as so redesignated, by striking the period at the end and inserting “; and”;

(iii) in subparagraph (D), as so redesignated—

(I) in the matter preceding clause (ii), as so redesignated, by inserting “subject to paragraph (2),” before “properties for which”;

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

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

(IV) by adding at the end the following:

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

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

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

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

“(2) USE OF FUNDS FOR MITIGATION PROJECTS.—The Administrator shall allow a policyholder to use insurance purchased under this subsection for any eligible project costs under a program described in clause (i), (ii), or (iii) of paragraph (1)(D) of an acquisition, demolition, elevation, relocation, or small structural project funded under that program, including—

“(A) asbestos remediation;

“(B) the demolition of a driveway or sidewalk when a structure is acquired; and

“(C) the addition of an elevator, ramp, or other device that is necessary for a homeowner or occupant with a physical limitation or disability to safely access a home that has been elevated.”.

(2) MANDATORY NATURE OF ICC STATUTE.—

(A) FINDING.—Congress finds that although section 1304(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4011(b)), as in effect on the day before the date of enactment of this Act, requires the Administrator to offer increased cost of compliance (commonly known as “ICC”) coverage to each type of property described in paragraphs (1) through (4) of that section, the Administrator has implemented that section by effectively only offering ICC coverage to properties described in paragraph (2) of that section.

(B) RULE OF CONSTRUCTION.—Nothing in section 1304(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4011(b)), as amended by paragraph (1), shall be construed to permit the Administrator to choose which types of properties described in paragraphs (1) through (5) of such section 1304(b) should be eligible for ICC insurance rather than offering ICC insurance to all such types of properties as required under such section 1304(b).

## AUTHORIZATION.

(a) Flood Mitigation Assistance Grant Program Priority.—Section 1366(a) of the National Flood Insurance Act (42 U.S.C. 4104c(a)) is amended—

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

(2) in the second sentence of the matter preceding subparagraph (A), as so redesignated, by striking “assistance shall be” and inserting the following: “assistance shall—

“(1) be”;

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

(4) by adding at the end the following:

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

“(A) that are repetitive loss structures;

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

“(C) for which losses exceed the replacement value of the properties.”.

(b) Additional Mitigation Assistance.—

(1) AUTHORIZATION OF APPROPRIATIONS.—

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

(B) RULE OF CONSTRUCTION.—The authorization of appropriations under subparagraph (A) shall not be construed to authorize the transfer or crediting to the National Flood Mitigation Fund of any amounts from the National Flood Insurance Fund.

(2) COMMUNITY-WIDE MITIGATION PROJECTS.—Notwithstanding any other provision of law, including section 1366 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c) and section 203 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133), in providing mitigation assistance under this subsection, in order to lessen disaster losses and enhance the financial stability and effectiveness of the National Flood Insurance Program, the Administrator shall give priority to flood mitigation activities that—

(A) provide benefits to an entire floodplain or community, or to a portion of a community;

(B) consider all available and practicable approaches; and

(C) the Administrator determines—

(i) are technically feasible;

(ii) have the highest net benefits; and



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

#### SEC. 203. PREDISASTER HAZARD MITIGATION PROGRAM AUTHORIZATION.

For each of the first 6 full fiscal years following the date of enactment of this Act, there is authorized to be appropriated \$500,000,000 to carry out the predisaster hazard mitigation program under section 203 of the Robert T. Stafford Disaster Assistance and Emergency Relief Act (42 U.S.C. 5133).

#### SEC. 204. NATIONAL FLOOD MAPPING PROGRAM.

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

(1) in subsection (b)(1)—

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

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

(C) in subparagraph (C), by striking “accurate topography” and all that follows through the period at the end and inserting “current and best remote sensing technology; and”; and

(D) by adding at the end the following:

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

(2) by redesignating subsection (f) as subsection (g);

(3) by inserting after subsection (e) the following:

“(f) Incorporating Building-specific Flood Risk Information.—

“(1) ESTABLISHMENT.—

“(A) IN GENERAL.—Not later than 5 years after the date of enactment of the Sustainable, Affordable, Fair, and Efficient (SAFE) National Flood Insurance Program Reauthorization Act of 2017, the Administrator, in coordination with, and as recommended by, the Technical Mapping Advisory Council, shall establish a dynamic, database-derived digital display environment for flood hazard risk production and dissemination.

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

“(i) leverage and partner with States and communities that have successfully implemented the same approach; and

“(ii) consider adopting the techniques and technologies used by States and communities described in clause (i) and applying them nationwide.

“(2) DIGITAL DISPLAY.—In carrying out paragraph (1), the Administrator shall create a digital display prompted through dynamic querying of a spatial, relational building database that may not be publically disseminated and that includes—

“(A) special flood hazard areas and base flood elevations for purposes of lender compliance with the requirements under section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a); and

“(B) structure-specific flood risk information, including, for each property address—

“(i) the spatial footprint and elevation of the structure relative to special flood hazard areas and base flood elevations;

“(ii) the most current elevation certificate applicable to the property;

“(iii) any letter of map changes;

“(iv) the full risk premium rate estimated for the structure under section 1307(a)(1) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(a)(1)) based on elevation data;

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

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

“(II) an explanation of the difference described in subclause (I) and the methodology used to rate the property;

“(vi) the estimated cost to repair the structure in the case of damage from floods with recurrence intervals ranging from the 10 percent annual chance event to the 0.2 percent annual chance event;

“(vii) the cost-effectiveness of mitigating the structure using common methods and how the chargeable premium rate would change based on each mitigation method; and

“(viii) the claims history of the structure, including the amount and date of each loss.

“(3) DATABASE.—

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

“(i) develop a spatial, relational database of buildings in the national flood insurance program; and

“(ii) obtain the data necessary to support the digital display created under paragraph (2).

“(B) DATA.—The data obtained under subparagraph (A) shall include, at a minimum—

“(i) footprints and elevations (including lowest adjacent grade and first floor) from Light Detection and Ranging (commonly known as ‘LiDAR’) data collections or other data collection methods that meet or exceed the standards for buildings, as determined by the Administrator;

“(ii) elevation certificates;

“(iii) parcel, address, and imagery data necessary for the identification, assessment, and reduction of flood hazards for individual properties;

“(iv) flood insurance rate maps, studies, and supporting data;

“(v) letters of map change; and

“(vi) any other data that the Administrator determines necessary to collect to meet the objectives of this section.

“(4) DATA PROCUREMENT.—The Administrator shall obtain any data necessary to establish the environment under paragraph (1), including by—

“(A) directing communities participating in the national flood insurance program, by regulation, to collect and supply information, including elevation data, for each structure that obtains a construction or other development permit within—

“(i) a special flood hazard area; or

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

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

“(C) partnering with other Federal, State, local, and private stakeholders to the greatest extent possible to obtain and share existing data that meets or exceeds the standards determined by the Administrator under subparagraph (B); and

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

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

“(6) MASS LETTERS OF MAP CHANGE.—In coordination with States and communities that have successfully implemented a dynamic, database-derived digital display environment for flood hazard risk production and dissemination, the Administrator shall issue guidelines for the adoption and integration into the National Flood Mapping Program of LiDAR-based letter of map amendment approaches.

“(7) ANNUAL REPORT.—The Administrator shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives an annual progress report on the implementation of this subsection, which shall include recommendations to reduce the cost and improve the implementation of this subsection.”; and

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

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

“(1) \$400,000,000”; and

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

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

SEC. 205. REALLOCATION OF PREMIUM SURCHARGES.

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

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

(A) by redesignating subsection (c) as subsection (d);

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

“(c) Use of Surcharges.—The Administrator shall use any surcharge imposed and collected under subsection (a) to help provide financial assistance under section 1326.”; and

(C) in subsection (d), as so redesignated, by striking “Subsections (a) and (b)” and inserting “Subsections (a) through (c)”;

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

#### SEC. 206. MULTIFAMILY MITIGATION.

(a) In General.—Section 1361(d)(1) of the National Flood Insurance Act of 1968 (42 U.S.C. 4102(d)(1)) is amended, in the matter preceding subparagraph (A), by inserting “(including multifamily buildings in urban areas)” after “residential buildings”.

(b) Premium Credit.—Section 1308(k) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(k)) is amended by striking “the Administrator shall” and all that follows through the period at the end and inserting the following: “the Administrator shall—

“(1) take into account the implementation of any mitigation method identified by the Administrator in the guidance issued under section 1361(d) (42 U.S.C. 4102(d)); and

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

(c) Land Use Controls.—

(1) IN GENERAL.—Section 1315(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4022(a)) is amended by adding at the end the following:

“(3) LAND USE CONTROLS FOR CERTAIN MULTIFAMILY BUILDINGS IN URBAN AREAS.—

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

“(i) is an urban area; and

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

“(B) ADOPTION OF LAND USE CONTROLS.—Notwithstanding any other provision of law, the Administrator, under paragraph (1), may require an appropriate public body, with respect to a covered area that is seeking to obtain flood insurance under this title, to adopt land use and control measures for the repair, restoration, or substantial improvement of any mid- or high-rise building that is located in the covered area.

“(C) COMMUNITY STRATEGY.—With respect to a covered area described in subparagraph (B), the Administrator shall encourage the covered area to develop, and assist the covered area in developing, a comprehensive strategy that—

“(i) reduces flood damage to mid- and high-rise multifamily buildings in the covered area that—

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

“(II) cannot be elevated;

“(ii) identifies technical mitigation activities that may be applied to the buildings described in clause (i), including considerations for mechanical, electrical, and utility components, that will protect life and property;

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

“(I) the implementation of performance standards;

“(II) requiring evacuation plans; and

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

“(iv) establishes guidelines for performance standards that will—

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

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

(2) LAND MANAGEMENT INVESTIGATIONS.—Section 1361(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4102(b)) is amended by inserting “, including whether a State or local government, as applicable, has enacted the requirements described in section 1327(b)” after “other building restrictions”.

(d) Calculation of Risk Premium Rates.—Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015) is amended by adding at the end the following:

“(n) Consideration of Alternative Mitigation Methods.—With respect to a chargeable rate prescribed for a building described in section 1315(a)(3)(B), the Administrator shall ensure that the rate properly reflects the reduction in flood risk after adopting the land use and control measures described in that section, if applicable.”.

SEC. 207. It is the Sense of the House that the Administrator shall consider flood mitigation activities that provide benefits to an entire floodplain or community, or to a portion of a community, consider all available and practicable approaches; and the Administrator determines are technically feasible; have the highest net benefits; and are consistent with mitigation plans approved by the Administrator.

#### SEC. 208. NEW ZONE FOR LEVEE-IMPACTED AREAS.

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

“(k) Levee-impacted Areas.—

“(1) IN GENERAL.—Subject to full implementation of subparagraphs (A)(iii) and (B) of

section 100216(b)(1) of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101b(b)(1)) and notwithstanding any other provision of law, if a community applies to the Administrator for the remapping of a levee-impacted area in which the pertinent levee system fails to meet the minimum design, operation, and maintenance standards of the National Flood Insurance Program required for levee accreditation on a flood insurance rate map in accordance with the Levee Analysis Mapping Procedure initiated by the Administrator to replace the ‘without levees’ approach to a Flood Insurance Study, the Administrator shall—

“(A) establish flood risk zones for those levee-impacted areas on such maps, to be known as ‘AL-E zones’, that have an established elevation for community floodplain management; and

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

“(2) TRANSITION.—During the period beginning on the date of enactment of this subsection and ending on the date on which the Administrator develops rates for the various AL-E zones, a structure located in a portion of a community that is located within a levee-impacted area described in paragraph (1) shall be eligible for rates associated with areas of moderate flood hazards.”.

### TITLE III—COST SAVINGS

#### SEC. 301. FORBEARANCE ON NFIP INTEREST PAYMENTS.

(a) In General.—During the 6-year period beginning on the date of enactment of this Act, the Secretary of the Treasury may not charge the Administrator interest on amounts borrowed by the Administrator under section 1309(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4016(a)) that were outstanding as of that date of enactment.

(b) No Retroactive Accrual.—After the 6-year period described in subsection (a), the Secretary of the Treasury shall not require the Administrator to repay any interest that, but for that subsection, would have accrued on the borrowed amounts described in that subsection during that 6-year-period.

#### SEC. 302. CAP ON WRITE YOUR OWN COMPANY COMPENSATION.

(a) In General.—Section 1311 of the National Flood Insurance Act of 1968 (42 U.S.C. 4018) is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following:

“(b) Limitation on Compensation; Minimum Agent Commissions.—In negotiating with appropriate representatives of the insurance industry under subsection (a), the Administrator shall ensure that—

“(1) any reimbursement paid to a property and casualty insurance company for selling, writing, and servicing flood insurance policies is not more than 28 percent of the aggregate amount of premiums charged by the insurance company; and

“(2) an insurance company pays a portion of the reimbursement described in paragraph

(1) to agents of the company as a commission, in an amount that is not less than 15 percent of the aggregate amount of the premiums sold by the agent.”.

(b) Technical and Conforming Amendments.—Section 1311 of the National Flood Insurance Act of 1968 (42 U.S.C. 4018), as amended by subsection (a), is amended—

(1) in subsection (a), by striking “The Administrator” and inserting “In General.—The Administrator”; and

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

#### SEC. 303. TAXPAYER PROTECTION.

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

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

(2) by inserting after the first sentence the following: “The Administrator shall develop a fee schedule based on recovering the actual costs of providing flood insurance rate maps to such other persons, and shall charge a fee based on the schedule to any private entity for the use of such a map.”.

#### SEC. 304. VENDOR COSTS; TRANSPARENCY.

(a) In General.—Section 100224(d) of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4081 note) is amended—

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

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

(2) by adding at the end the following:

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

“(i) develop a schedule to determine the actual costs of Write Your Own vendors, including claims adjusters and engineering companies;

“(ii) provide that if a Write Your Own company requests reimbursement for the costs of a service or product provided to the company by a vendor, the Administrator only reimburses the company for the actual costs of the service or products; and

“(iii) require that all reimbursements to Write Your Own companies be made public, including a description of the product or service provided to which the reimbursement pertains.”.

(b) Deadline for Revised Rule.—Not later than 90 days after the date of enactment of this Act, the Administrator shall issue a revised rule under section 100224(d) of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4081 note), as amended by subsection (a).

#### TITLE IV—CLAIMS PROCESS REFORM

## SEC. 401. EARTH MOVEMENT CLARIFICATION.

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

“(e) Earth Movement.—A flood insurance claim filed under this title for damage to or loss of property may not be denied based on the earth movement exclusion in the standard flood insurance policy under the national flood insurance program if the claim is filed as the result of a flood, including a claim for damage to or loss of property caused by earth movement that was caused by a flood.”.

## SEC. 402. TREATMENT OF BASEMENTS.

### (a) Basement Clarification.—

(1) DEFINITION.—In this subsection, the term “pre-FIRM condominium building” means a condominium building that was not constructed or substantially improved after the later of—

(A) December 31, 1974; or

(B) the effective date of the initial flood insurance rate map published by the Administrator under section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101) for the area in which the building is located.

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

### (b) Study on Consequences of Street-raising.—

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

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

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

(2) STUDY; REPORT.—Not later than 1 year after the date of enactment of this Act, the Administrator shall study and submit to Congress a report on the consequences of street-raising on flood insurance coverage for an affected property under the National Flood Insurance Program, including the cost implications for the property owner.

## SEC. 403. MOLD DAMAGE CLARIFICATION.

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

(1) as a general rule, loss caused by water, moisture, mildew, or mold caused by a flood is covered by flood insurance under the National Flood Insurance Program;

(2) the exemption from coverage for water, moisture, mildew, or mold damage caused by a policyholder who is truly derelict in inspecting or maintaining a property after a flood recedes is a limited exemption;



(3) in the case of water, moisture, mildew, or mold damage described in paragraph (2), only the amount of water, moisture, mildew, or mold that built up because of the dereliction of duty, and only during the time when the water, moisture, mildew, or mold build-up reasonably could have been mitigated, shall not be covered;

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

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

(A) difficulty in inspecting or maintaining the property;

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

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

#### SEC. 404. APPEAL OF DECISIONS RELATING TO FLOOD INSURANCE COVERAGE.

(a) Extension of Deadline to File Appeal; Enforcing Deadline for FEMA to Resolve Appeal; Optional Arbitration for Appeals.—Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019) is amended by adding at the end the following:

“(d) Appeal of Decisions Relating to Flood Insurance Coverage.—

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

“(A) insurance agent or adjuster, or insurance company; or

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

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

“(3) NOTIFICATION UPON INITIAL DENIAL OF CLAIM.—The Administrator shall ensure that a claimant is provided with the rules, forms, and deadlines for an appeal under this subsection at the time a claim is first denied in full or in part, including—

“(A) the effective date of the denial;

“(B) a justification for the denial, including supporting documentation;

“(C) the date on which the period of limitation for instituting an action against the Administrator on the claim under section 1333 or 1341, as applicable, will end; and

“(D) a point of contact through which the claimant can directly discuss an appeal with a representative of the Federal Emergency Management Agency.

“(4) DEADLINE TO RESOLVE APPEAL.—

“(A) IN GENERAL.—Not later than 90 days after the date as of which a policyholder has submitted all necessary information relating to an appeal under this subsection, the Administrator shall provide an appeal decision in writing to the policyholder and insurer, including specific information for the resolution of the appeal.

“(B) ENFORCEMENT.—If the Administrator does not comply with the deadline under subparagraph (A)—

“(i) the appeal shall be deemed granted; and

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

“(C) NOTIFICATION UPON DENIAL OF APPEAL.—If the Administrator denies an appeal filed by a policyholder under this subsection, the Administrator shall include with the notice of denial—

“(i) an explanation of the legal options of the policyholder for further challenging the denial; and

“(ii) the date on which the period of limitation for instituting an action against the Administrator on the claim under section 1333 or 1341, as applicable, will end.

“(e) Optional Arbitration.—Not later than 180 days after the date of enactment of this subsection, the Administrator shall by regulation establish a process through which a flood insurance policyholder, instead of submitting an appeal under subsection (d) to the Administrator, may request that the appeal be heard through independent, binding arbitration.”.

(b) Relation to Regulations and Other Law.—Nothing in the amendment made by subsection (a) shall be construed to require the Administrator to repeal the regulations promulgated under section 205 of the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 (42 U.S.C. 4011 note), or to promulgate new regulations, except as necessary to implement that amendment.

SEC. 405. ACCOUNTABILITY FOR UNDERPAYMENTS BY WRITE YOUR OWN COMPANIES.

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

“(c) Accountability for Underpayments.—The Administrator shall require that, if the Administrator determines through an audit that the pool or an insurance company or other private organization described in subsection (a) has underpaid a claim of a policyholder—

“(1) the pool, insurance company, or other private organization, as applicable, shall pay the amount of the difference to the Administrator; and

“(2) the Administrator shall deposit the amount paid under paragraph (1) in the National Flood Insurance Fund.”.

SEC. 406. POLICYHOLDER RIGHT TO KNOW.

Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019), as amended by

section 404, is amended by adding at the end the following:

“(f) Availability of Claim-related Documents.—

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

“(2) AVAILABILITY OF DOCUMENTS.—Any entity servicing a claim under the national flood insurance program—

“(A) shall retain each claim-related document prepared by or for the entity;

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

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

SEC. 407. INCREASING STATUTE OF LIMITATIONS FOR LAWSUITS.

(a) Government Program With Industry Assistance.—Section 1341 of the National Flood Insurance Act of 1968 (42 U.S.C. 4072) is amended to read as follows:

“SEC. 1341. ADJUSTMENT AND PAYMENT OF CLAIMS AND JUDICIAL REVIEW.

“(a) Adjustment and Payment of Claims.—If the program is carried out as provided in section 1340, the Administrator may adjust and make payment of any claims for proved and approved losses covered by flood insurance.

“(b) Judicial Review.—

“(1) RIGHT OF ACTION.—Upon the disallowance or partial disallowance by the Administrator of a claim described in subsection (a), or upon the refusal of the claimant to accept the amount allowed upon a claim described in that subsection, the claimant may institute an action against the Administrator on the claim in the United States district court for the district in which the insured property or the major part thereof shall have been situated not later than 2 years after the later of—

“(A) the date on which the claimant receives notice of disallowance or partial disallowance of the claim; or

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

“(2) JURISDICTION.—A court described in paragraph (1) shall have original exclusive jurisdiction to hear and determine an action under that paragraph without regard to the amount in controversy.”.

(b) Industry Program With Federal Financial Assistance.—Section 1333 of the National Flood Insurance Act of 1968 (42 U.S.C. 4053) is amended to read as follows:

“SEC. 1333. ADJUSTMENT AND PAYMENT OF CLAIMS AND JUDICIAL REVIEW.

“(a) Adjustment and Payment of Claims.—The insurance companies and other insurers that form, associate, or otherwise join together in the pool under this part may adjust and pay all claims for proved and approved losses covered by flood insurance in accordance with the provisions of this title.

“(b) Judicial Review.—

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

“(A) the date on which the claimant receives notice of disallowance or partial disallowance of the claim; or

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

“(2) JURISDICTION.—A court described in paragraph (1) shall have original exclusive jurisdiction to hear and determine an action under that paragraph without regard to the amount in controversy.”.

SEC. 408. ATTORNEY FEE SHIFTING.

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

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

“(A) IN GENERAL.—If the claimant prevails in any appeal to the Administrator of the disallowance or partial disallowance of a claim for losses covered by flood insurance made available under this title, the Administrator shall award costs of the appeal, including attorney fees, any proceeding expenses, and engineering and other expert expenses, to the claimant.

“(B) DEFINITION.—For purposes of this paragraph, the term ‘prevail’ means to be awarded a greater amount by the Administrator than the amount of the last, best offer from the Administrator with respect to the claim of the claimant.”.

(b) Judicial Review.—

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

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

“(A) IN GENERAL.—If the claimant prevails in an action under this subsection, the court shall award reasonable costs of litigation, including attorney fees, litigation

expenses, and engineering and other expert expenses, to the claimant.

“(B) SUBROGATION.—Any award under subparagraph (A) shall be paid by the Administrator and, upon such payment, the Administrator shall be subrogated to the rights of the claimant to recover such costs for which the Administrator has compensated the claimant from any insurance company or other insurer or insurance adjustment organization that may be responsible for the disallowance or partial disallowance of the claim.

“(C) DEFINITION.—For purposes of this paragraph, the term ‘prevail’ means to be awarded a greater amount by the court than the amount of the last, best offer from the Administrator with respect to the claim of the claimant.”.

(2) INDUSTRY PROGRAM WITH FEDERAL FINANCIAL ASSISTANCE.—Subsection (b) of section 1333 of the National Flood Insurance Act of 1968 (42 U.S.C. 4053), as amended by section 407, is amended by adding at the end the following:

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

“(A) IN GENERAL.—If the claimant prevails in an action under this subsection, the court shall award reasonable costs of litigation, including attorney fees, litigation expenses, and engineering and other expert expenses, to the claimant.

“(B) SUBROGATION.—Any award under subparagraph (A) shall be paid by the Administrator and, upon such payment, the Administrator shall be subrogated to the rights of the claimant to recover such costs for which the Administrator has compensated the claimant from any company or other insurer responsible for the disallowance or partial disallowance of the claim.

“(C) DEFINITION.—For purposes of this paragraph, the term ‘prevail’ means to be awarded a greater amount by the court than the amount of the last, best offer from the insurer or Administrator with respect to the claim of the claimant.”.

#### SEC. 409. DOJ DEFENSE AGAINST POLICYHOLDER LAWSUITS.

Subsection (b) of section 1341 of the National Flood Insurance Act of 1968 (42 U.S.C. 4072), as amended by section 408, is amended by adding at the end the following:

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

“(A) the Administrator shall refer the matter to the Attorney General; and

“(B) the Attorney General—

“(i) shall represent the Administrator or the Write Your Own company, as applicable, in the action; and

“(ii) may not seek to have the court dismiss an action with potential meritorious claims based on good faith errors or omissions by the claimant in the claimant’s proof of loss.”.

#### SEC. 410. STUDY ON PARTICIPATION RATES.

(a) Definitions.—In this section—

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

(2) the terms “Federal agency lender”, “improved real estate”, and “regulated lending institution” have the meanings given those terms in section 3(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4003(a)); and

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

(A) made by a regulated lending institution or Federal agency lender; or

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

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

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

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

#### SEC. 411. FEDERAL FLOOD INSURANCE ADVISORY COMMITTEE.

Part C of chapter II of the National Flood Insurance Act of 1968 (42 U.S.C. 4081 et seq.) is amended by adding at the end the following:

#### “SEC. 1349. FEDERAL FLOOD INSURANCE ADVISORY COMMITTEE.

“(a) Establishment.—There is established an advisory committee to be known as the Federal Flood Insurance Advisory Committee (in this section referred to as the ‘Committee’).

“(b) Membership.—

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

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

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

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

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

“(ii) 1 individual who served in the past, or is currently serving, as an insurance regulator of a State, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, American Samoa, or any federally-recognized Indian tribe;

“(iii) 1 representative of the financial sector or insurance sector who is involved in risk transfers, including reinsurance, resilience bonds, and other insurance-

linked securities;

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

“(v) 2 insurance professionals with demonstrated experience with the sale of flood insurance under the national flood insurance program;

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

“(vii) 1 insurance claims specialist;

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

“(ix) 1 individual having demonstrated expertise in the challenges in insuring low-income communities;

“(x) 1 representative from an academic institution who has demonstrated expertise in insurance; and

“(xi) any other recognized experts in the field of insurance that the Administrator considers necessary.

“(2) QUALIFICATIONS.—In appointing members under paragraph (1)(C), the Administrator shall, to the maximum extent practicable, ensure the membership of the Committee has a balance of members reflecting geographic diversity, including representation from areas inland or with coastline identified by the Administrator as at high risk for flooding or as areas having special flood hazards.

“(c) Duties.—The Committee shall review, and make recommendations to the Administrator, upon request, on matters related to the insurance aspects of the national flood insurance program, including ratemaking, technology to administer insurance, risk assessment, actuarial practices, claims practices, sales and insurance delivery, compensation and allowances, generally and based on the complexities of the program, and best insurance practices.

“(d) Chairperson.—The members of the Committee shall elect 1 member to serve as the chairperson of the Committee (in this subsection referred to as the ‘Chairperson’).

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

“(f) Meetings and Actions.—

“(1) IN GENERAL.—The Committee—

“(A) shall meet not less frequently than twice each year at the request of the Chairperson or a majority of the members of the Committee; and

“(B) may take action by a vote of the majority of the members in accordance with the charter of the Committee.

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

“(g) Staff of FEMA.—Upon the request of the Chairperson, the Administrator may detail, on a nonreimbursable basis, personnel of the Federal Emergency Management Agency to assist the Committee in carrying out the duties of the Committee.

“(h) Powers.—In carrying out this section, the Committee may hold hearings, receive evidence and assistance, provide information, and conduct research, as the Committee considers appropriate.

“(i) Reports to Congress.—The Administrator, on an annual basis, shall report to the Committee on Financial Services of the House of Representatives, the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Office of Management and Budget on—

“(1) the recommendations made by the Committee;

“(2) actions taken by the Federal Emergency Management Agency to address the recommendations described in paragraph (1) to improve the insurance aspects of the National Flood Insurance Program; and

“(3) any recommendations described in paragraph (1) that have been deferred or not acted upon, together with an explanatory statement with respect to those recommendations.

“(j) Applicability of the Federal Advisory Committee Act.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Committee.”.

#### SEC. 412. AUTHORITY TO TERMINATE CONTRACTORS AND VENDORS.

(a) In General.—Part C of chapter II of the National Flood Insurance Act of 1968 (42 U.S.C. 4081 et seq.), as amended by section 411, is amended by adding at the end the following:

##### “SEC. 1350. TERMINATION OF CONTRACTS.

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

“(b) Termination.—

“(1) IN GENERAL.—Notwithstanding any other provision of law, the Administrator may terminate a contract or other agreement between a covered entity and a Write Your Own company if the Administrator—

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

“(B) not later than 14 days before terminating the contract or other agreement, provided notice to the covered entity of the termination.

“(2) APPEAL.—The Administrator shall establish a process for a covered entity to appeal the termination of a contract or other agreement under paragraph (1).

“(3) EARLY TERMINATION PAYOUTS.—The Administrator or a Write Your Own company is not required to make any early termination payout to a covered entity with respect to a contract or agreement with the Write Your Own company that the Administrator terminates under paragraph (1).”.

(b) Effective Date; Applicability.—The amendment made by subsection (a) shall apply to any contract or other agreement between a covered entity, as defined in section 1350(a) of the National Flood Insurance Act of 1968, as added by subsection (a), and a Write Your Own company that is entered into on or after the date of enactment of this Act.

#### SEC. 413. EASING PROOF OF LOSS REQUIREMENTS.



(a) In General.—Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019), as amended by section 406, is amended by adding at the end the following:

“(g) Proof of Loss.—

“(1) REQUIRED NOTICE.—Not later than 1 year after the date on which damage to or loss of a property that is covered by flood insurance made available under this title occurs, the policyholder with respect to the covered property may submit a proof of loss notice that contains only such information as is necessary to document the damage or loss, including—

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

“(B) the signature of the policyholder attesting to the accuracy of the amount claimed and the information supplied to document the damage or loss.

“(2) SUPPLEMENTAL PROOF.—Not later than 1 year after the date on which a policyholder submits a proof of loss notice under paragraph (1) with respect to a property that is covered by flood insurance made available under this title, the policyholder may submit supplemental information to support an increase in the amount claimed in the proof of loss notice if the policyholder discovers further damage to the property or otherwise determines that the amount claimed was insufficient.

“(3) ERRORS OR OMISSIONS.—An error or honest omission in a proof of loss notice or in supplemental information submitted by a policyholder under paragraph (1) or (2), respectively, with respect to a property that is covered by flood insurance made available under this title may not be used to deny the right of the policyholder—

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

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

(b) Applicability.—The amendment made by subsection (a) shall apply to any claim for damage to or loss of property that is covered by flood insurance under the National Flood Insurance Program that is pending on, or made after, the date of enactment of this Act.

#### SEC. 414. ELEVATION CERTIFICATES.

Chapter I of the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.), as amended by section 207, is amended by adding at the end the following:

#### “SEC. 1328. ELEVATION CERTIFICATES.

“(a) No Expiration Date.—Surveyed elevation data and other information relating to a building that is recorded on a National Flood Insurance Program Elevation Certificate by an individual licensed to record that information shall continue to be in effect, and the Elevation Certificate shall not expire, until the date on which there is an alteration in the building or to the topography surrounding the perimeter of the building.

“(b) Elevation Datum.—With respect to a National Flood Insurance Program Elevation Certificate for a building, if the elevation datum used to determine the base flood elevation at the building is different than the elevation datum used to calculate the building elevation, a datum conversion shall be performed to ensure that the same elevation datum is used to calculate the base flood elevation and the building elevation.”.

SEC. 415. MONTHLY INSTALLMENT PAYMENT FOR PREMIUMS.

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

- (1) implement the requirement for monthly installment payments of premiums provided under section 1308(g) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(g)); or
- (2) submit to Congress an explanation of the reasons why the Administrator cannot implement the requirement described in paragraph (1) during that 180-day period.

SEC. 416. PILOT PROGRAM FOR PRE-EXISTING STRUCTURAL CONDITIONS.

(a) Definitions.—In this section—

- (1) the term “covered property” means a property that is or may be covered by flood insurance under the National Flood Insurance Program; and
- (2) the term “covered policyholder” means a policyholder or potential policyholder of flood insurance under the National Flood Insurance Program for a covered property.

(b) Pilot Program.—Not later than 180 days after the date of enactment of this Act, the Administrator shall establish a pilot program under which Write Your Own companies and National Flood Insurance Program direct servicers shall, at the request of a covered policyholder and before providing or renewing insurance coverage with respect to a covered property under the National Flood Insurance Program, investigate the pre-existing structural condition of the covered property for any issues that could result in the denial of a claim under the National Flood Insurance Program for damage to or loss of the covered property.

SEC. 417. DEADLINE FOR CLAIM PROCESSING.

(a) In General.—Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019), as amended by section 413, is amended by adding at the end the following:

“(h) Deadline for Approval of Claims.—

“(1) IN GENERAL.—The Administrator shall provide that, in the case of a claim for damage to or loss of property that is covered by flood insurance made available under this title—

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

“(i) a final determination regarding approval of the claim for payment or disapproval of the claim shall be made; and

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

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

“(2) EXTENSION OF DEADLINE.—The Administrator shall—

“(A) provide that the period described in paragraph (1)(A) may be extended by a single additional period of 15 days under extraordinary circumstances; and

“(B) by regulation, establish criteria for—

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

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

(b) Applicability.—The amendment made by subsection (a) shall apply to any claim for damage to or loss of property that is covered by flood insurance made available under the National Flood Insurance Program that is pending on, or made after, the date of enactment of this Act.

#### SEC. 418. ENGINEER OVERSIGHT AND CERTIFICATION.

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

#### “SEC. 1351. OVERSIGHT AND CERTIFICATION OF ENGINEERS.

“(a) Definition.—In this section, the term ‘covered engineering services’ means engineering services provided in connection with insurance coverage provided under this title.

“(b) Qualifications.—The Administrator shall require that any individual who provides covered engineering services, including services in connection with assessing any claim for losses covered by a policy for that coverage, shall—

“(1) have registered with and certified to the Administrator that the engineer is professionally licensed to practice as an engineer in the State in which the engineer is providing the covered engineering services;

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

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

“(c) Certification by FEMA.—

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

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

“(A) include an initial training seminar;

“(B) provide such standards and testing requirements as the Administrator shall establish; and

“(C) require an annual renewal of certification through continuing education.

“(d) Fees.—

“(1) STANDARDIZED SCHEDULE.—The Administrator shall establish a standardized fee schedule for all covered engineering services, which shall be similar to the fee schedule of the Administrator used for companies adjusting claims under insurance coverage provided under this title.

“(2) REIMBURSEMENT.—Any reimbursement or other allowance, payment, or compensation provided by the Administrator to a Write Your Own company with respect to

covered engineered services may not exceed the applicable standardized fees for those services established under paragraph (1).

“(e) Identification Numbers.—The Administrator shall establish a system to provide a unique numerical identifier for each engineer who provides covered engineering services to assist in tracking past performance in the provision of those services.

“(f) Submission of Documentation.—With respect to a Write Your Own company, the Administrator shall—

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

“(A) documentation sufficient to itemize and disaggregate the costs and fees for those services, including the costs and fees for any subcontractor; and

“(B) all photos, notes, draft reports, and other documentation relating to providing those services in connection with a claim under insurance coverage provided under this title;

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

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

“(B) such other information as may be necessary to enable the Write Your Own company to determine whether the costs and fees charged by providers of covered engineering services are reasonable in relation to the services provided; and

“(3) require the Write Your Own company to make available to the Administrator, before any reimbursement or other allowance, payment, or compensation is provided to the Write Your Own company in connection with covered engineering services provided, all supporting documentation relating to those services.”.

#### SEC. 419. ENGINEER REPORTS.

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

“(i) Final Engineering Reports.—

“(1) DEFINITIONS.—In this subsection—

“(A) the term ‘covered claim’ means any claim for losses covered by a policy for flood insurance coverage provided under this title; and

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

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

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

“(iii) is signed by the responsible in charge or affixed with the seal of the responsible in charge, or both.

“(2) PROHIBITION ON MANIPULATION AND TRANSMISSION TO THIRD PARTIES.—The

Administrator shall require that, in the case of any on-site inspection of a property by an engineer for the purpose of assessing any covered claim, the final engineering report—

“(A) may not—

“(i) include alterations by, or at the request of, anyone other than the responsible in charge for the report; or

“(ii) be transmitted to any other person before the final engineering report is transmitted to the policyholder who submitted the covered claim; and

“(B) shall include a certification, signed by the responsible in charge for the final engineering report, that the final engineering report does not contain any alterations described in subparagraph (A).

“(3) TRANSMISSION OF REPORT WITHOUT APPROVAL.—A Write Your Own company or a national flood insurance program direct servicer may, without obtaining further review or approval by the Administrator, transmit to a policyholder a final engineering report in the possession of the Write Your Own company or the direct servicer in connection with a covered claim submitted by the policyholder.”.

#### SEC. 420. IMPROVED TRAINING OF AGENTS AND ADJUSTERS.

(a) Agent Training.—

(1) IN GENERAL.—The Administrator shall require each insurance agent that issues standard flood insurance policies on behalf of the National Flood Insurance Program (under the Write Your Own program) or directly from the National Flood Insurance Program to take—

(A) an introductory course that instructs insurance agents on how to fill out an application for a flood insurance policy; and

(B) annual continuing education courses on—

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

(ii) any increased costs of compliance;

(iii) flood insurance mapping; and

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

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

(b) Certification of Adjusters.—

(1) IN GENERAL.—Each insurance claims adjuster acting as an insurance agent for a Write Your Own company shall—

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

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

(2) ONLINE COURSE.—

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

(B) RECORD OF TRAINING.—The Administrator shall maintain a record of each insurance claims adjuster that takes an online refresher course described in subparagraph (A).

(c) Local Floodplain Managers.—Each regional office of the Federal Emergency Management Agency shall—

(1) provide training to local floodplain managers in the region on the responsibilities and procedures of local floodplain managers with respect to conducting substantial damage and substantial improvement determinations; and

(2) work with applicable State agencies to provide the training described in paragraph (1) and verify that local floodplain managers are completing the training.

SEC. 421. AGENT ADVISORY COUNCIL.

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

“SEC. 1352. AGENT ADVISORY COUNCIL.

“(a) Establishment.—There is established a council to be known as the Agent Advisory Council (in this section referred to as the ‘Council’).

“(b) Membership.—

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

“(A) the Administrator, or the designee thereof; and

“(B) 10 additional members appointed by the Administrator or the designee of the Administrator, of whom—

“(i) 1 shall be a member of the National Association of Insurance Commissioners;

“(ii) 1 shall be a member of the Independent Insurance Agents and Brokers of America;

“(iii) 1 shall be a member of United Policyholders;

“(iv) 1 shall be a representative of the Emergency Management Institute of the Federal Emergency Management Agency;

“(v) 1 shall be a representative of the Office of the Flood Insurance Advocate of the Federal Emergency Management Agency;

“(vi) 1 shall be a representative from a National Flood Insurance Program

direct servicer;

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

“(viii) 2 shall be at-large members.

“(2) QUALIFICATIONS.—

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

“(i) contacting policyholders under the National Flood Insurance Program, including with respect to applying for flood insurance and processing a claim for damage to or loss of property that is covered by flood insurance; and

“(ii) riverine and coastal flood insurance policies.

“(B) CONSIDERATIONS.—The Administrator shall, to the maximum extent practicable, ensure that the membership of the Council has a balance of governmental and private members, and includes geographic diversity.

“(3) CONSULTATION.—In appointing a member of the Council from an entity described in clause (i), (ii), (iii), (iv), (v), or (vi) of paragraph (1)(B), the Administrator or the designee of the Administrator, as applicable, shall consult with the entity.

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

“(c) Duties.—The Council shall—

“(1) provide recommendations to the Administrator on—

“(A) improving the customer experience for policyholders under the National Flood Insurance Program;

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

“(C) improving the processing and handling of claims for damage to or loss of property that is covered by flood insurance; and

“(2) submit an annual report to the Administrator that includes—

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

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

“(d) Compensation.—

“(1) IN GENERAL.—Except as provided in paragraph (2), each member of the Council shall receive no additional compensation for serving on the Council.

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

“(e) Meetings and Actions.—

“(1) MEETINGS.—

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

“(B) INITIAL MEETING.—The Administrator, or a designee thereof, shall request and coordinate the initial meeting of the Council.

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

“(f) Officers.—The Chairperson may appoint officers to assist in carrying out the duties of the Council under subsection (c).

“(g) Staff.—Upon the request of the Chairperson, the Administrator may detail, on a nonreimbursable basis, personnel of the Office of the Flood Insurance Advocate of the Federal Emergency Management Agency to assist the Council in carrying out the duties of the Council.

“(h) Powers.—In carrying out this section, the Council may hold hearings, receive evidence and assistance, provide information, and conduct research as the Council considers appropriate.

“(i) Report to Congress and OMB.—The Administrator shall, on an annual basis, submit to the Committee on Banking, Housing, and Urban Affairs of the Senate, the Committee on Financial Services of the House of Representatives, and the Director of the Office of Management and Budget a report on—

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

“(2) any recommendations made by the Council during the year covered by the report that, as of the date on which the report is submitted, have been deferred or not acted upon, together with an explanatory statement with respect to those recommendations.

“(j) Applicability of the Federal Advisory Committee Act.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Council.”.

#### SEC. 422. EFFICIENT USE OF MITIGATION DOLLARS.

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

“(5) REGIONAL COORDINATOR.—

“(A) IN GENERAL.—The Administrator shall appoint a regional coordinator in each region served by a Regional Office (as defined in section 501 of the Homeland Security Act of 2002 (6 U.S.C. 311)) to provide technical assistance to small communities to enable those communities to effectively participate in and benefit from the community rating system program.

“(B) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this paragraph, which shall remain available until expended.”.

#### SEC. 423. IMPROVED DISCLOSURE REQUIREMENTS.

Section 100234 of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4013a) is amended by adding at the end the following new subsections:

“(c) DISCLOSURE OF COVERAGE.—



“(1) DISCLOSURE SHEET.—Each policy under the National Flood Insurance Program shall include a disclosure sheet that sets forth, in plain language—

“(A) the definition of the term ‘flood’ for purposes of coverage under the policy;

“(B) a description of what type of flood forces are necessary so that losses from an event are covered under the policy, including overflow of inland or tidal waves, unusual and rapid accumulation or runoff of a surface any source, and mudflow;

“(C) a statement of the types and characteristics of losses that are not covered under the policy;

“(D) a summary of total cost and amount of insurance coverage;

“(E) a statement that the disclosure sheet provides general information about the policyholder’s standard flood insurance policy;

“(F) a statement that the standard flood insurance policy, together with the application, endorsements, and declarations page, make up the official contract and are controlling in the event that there is any difference between the information on the disclosure sheet and the information in the policy; and

“(G) a statement that if the policyholder has any questions regarding information in the disclosure sheet or policy he or she should contact their insurance agent, together with the address and phone number at which to contact such agent.

“(2) ACKNOWLEDGMENT SHEET.—Each policy under the National Flood Insurance Program shall include an acknowledgment sheet that sets forth, in plain language—

“(A) a statement of whether or not there is a basement in the property to be covered by the policy;

“(B) a statement of whether or not the policy provides coverage for the contents of the property covered by the policy;

“(C) a statement that the standard flood insurance policy, together with the application, endorsements, and declarations page, make up the official contract and are controlling in the event that there is any difference between the information on the acknowledgment sheet and the information in the policy; and

“(D) a statement that if the policyholder has any questions regarding information in the acknowledgment sheet or policy he or she should contact their insurance agent, together with the address and phone number at which to contact such agent.

“(3) REQUIRED SIGNATURES.—A policy for flood insurance coverage under the National Flood Insurance Program may not take effect unless the disclosure sheet required under paragraph (1) and the acknowledgment sheet required under paragraph (2), with respect to the policy, are signed and dated by the policyholder, the insurance agent who sold the policy, and a representative of the Administrator.

“(d) AVAILABILITY IN OTHER LANGUAGES.—

“(1) AVAILABILITY.—The Administrator shall make policies under the National Flood Insurance Program, and the disclosure and acknowledgment sheets required by subsection (c), available in Spanish language versions and in such other languages as the Administrator considers appropriate and shall provide such a version at the request of the insured or prospective insured.

“(2) PUBLICIZING AVAILABILITY.—The Administrator shall take such actions as may be necessary to inform insureds and prospective insureds of the availability of policies in such languages other than English.

“(3) CONFLICTING INFORMATION.—In the case of any difference between the information that is provided pursuant to this subsection to a policyholder in the English language and in the Spanish or other language, the information provided in the English language shall be determinative.”.

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

“SEC. 1329. DISCLOSURE IN LEASE OF PROPERTY.

“(a) In General.—Not later than 180 days after the date of enactment of this section, the Administrator, in consultation with relevant Federal agencies, shall promulgate regulations requiring the disclosure of information relating to the flood risk and flood insurance coverage of any property that is offered for lease in accordance with subsection (b).

“(b) Information Disclosed.—The regulations promulgated under subsection (a) shall require that, before the lessee is obligated under any contract to lease property, the lessor shall provide a written disclosure to the lessee that describes—

“(1) the flood zone classification of the property;

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

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

SEC. 424. AMENDMENTS TO FINANCIAL ASSISTANCE/SUBSIDY ARRANGEMENT.

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

SEC. 425. TECHNICAL AND CONFORMING AMENDMENTS.

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

- (1) in paragraph (14), by striking “and” at the end;
- (2) in paragraph (15), by striking the period at the end and inserting a semicolon; and
- (3) by adding at the end the following:

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

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