

**[DISCUSSION DRAFT]**117<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION**H. R.** \_\_\_\_\_

To make administrative reforms to the National Flood Insurance Program to increase fairness and accuracy and protect the taxpayer from program fraud and abuse, and for other purposes.

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**IN THE HOUSE OF REPRESENTATIVES**

Ms. VELÁZQUEZ introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**A BILL**

To make administrative reforms to the National Flood Insurance Program to increase fairness and accuracy and protect the taxpayer from program fraud and abuse, 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “National Flood Insurance Program Administrative Re-  
6 form Act of 2022”.

1 (b) TABLE OF CONTENTS.—The table of contents for  
2 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Pilot program for properties with preexisting conditions.
- Sec. 3. Penalties for fraud and false statements in the National Flood Insurance Program.
- Sec. 4. Enhanced policyholder appeals process rights.
- Sec. 5. Deadline for approval of claims.
- Sec. 6. Litigation process oversight and reform.
- Sec. 7. Prohibition on hiring disbarred attorneys.
- Sec. 8. Technical assistance reports.
- Sec. 9. Improved disclosure requirement for standard flood insurance policies.
- Sec. 10. Reserve Fund amounts.
- Sec. 11. Sufficient staffing for Office of Flood Insurance Advocate.
- Sec. 12. Federal Flood Insurance Advisory Committee.
- Sec. 13. Interagency guidance on compliance.
- Sec. 14. GAO study of claims adjustment practices.
- Sec. 15. GAO study of flood insurance coverage treatment of earth movement.
- Sec. 16. Definitions.

3 **SEC. 2. PILOT PROGRAM FOR PROPERTIES WITH PRE-**  
4 **EXISTING CONDITIONS.**

5 Section 1311 of the National Flood Insurance Act of  
6 1968 (42 U.S.C. 4018) is amended by adding at the end  
7 the following new subsection:

8 “(c) PILOT PROGRAM FOR INVESTIGATION OF PRE-  
9 EXISTING STRUCTURAL CONDITIONS.—

10 “(1) VOLUNTARY PROGRAM.—The Adminis-  
11 trator shall carry out a pilot program under this  
12 subsection to provide for companies participating in  
13 the Write Your Own program (as such term is de-  
14 fined in section 1370(a) (42 U.S.C. 4121(a))) to in-  
15 vestigate preexisting structural conditions of insured  
16 properties and potentially insured properties that  
17 could result in the denial of a claim under a policy

1 for flood insurance coverage under this title in the  
2 event of a flood loss to such property. Participation  
3 in the pilot program shall be voluntary on the part  
4 of Write Your Own companies.

5 “(2) INVESTIGATION OF PROPERTIES.—Under  
6 the pilot program under this subsection, a Write  
7 Your Own company participating in the program  
8 shall—

9 “(A) provide in policies for flood insurance  
10 coverage under this title covered by the pro-  
11 gram that, upon the request of the policyholder,  
12 the company shall provide for—

13 “(i) an investigation of the property  
14 covered by such policy, using common  
15 methods, to determine whether preexisting  
16 structural conditions are present that could  
17 result in the denial of a claim under such  
18 policy for flood losses; and

19 “(ii) if such investigation is not deter-  
20 minative, an on-site inspection of the prop-  
21 erty to determine whether such preexisting  
22 structural conditions are present;

23 “(B) upon completion of an investigation  
24 or inspection pursuant to subparagraph (A)  
25 that determines that such a preexisting struc-

1 tural condition is present or absent, submit a  
2 report to the policyholder and Administrator de-  
3 scribing the condition; and

4 “(C) impose a surcharge on each policy de-  
5 scribed in subparagraph (A) in such amount  
6 that the Administrator determines is appro-  
7 priate to cover the costs of investigations and  
8 inspections performed pursuant to such policies  
9 and reimburse Write Your Own companies par-  
10 ticipating in the program under this subsection  
11 for such costs.

12 “(3) INTERIM REPORT.—Not later than Decem-  
13 ber 31, 2026, the Administrator shall submit a re-  
14 port to the Committee on Financial Services of the  
15 House of Representatives and the Committee on  
16 Banking, Housing, and Urban Affairs of the Senate  
17 describing the operation of the pilot program to that  
18 date.

19 “(4) SUNSET.—The Administrator may not  
20 provide any policy for flood insurance described in  
21 paragraph (2)(A) after December 31, 2024.

22 “(5) FINAL REPORT.—Not later than March  
23 31, 2028, the Administrator shall submit a final re-  
24 port regarding the pilot program under this section  
25 to the Committee on Financial Services of the House

1 of Representatives and the Committee on Banking,  
2 Housing, and Urban Affairs of the Senate. The re-  
3 port shall include any findings and recommendations  
4 of the Administrator regarding the pilot program.”.

5 **SEC. 3. PENALTIES FOR FRAUD AND FALSE STATEMENTS**  
6 **IN THE NATIONAL FLOOD INSURANCE PRO-**  
7 **GRAM.**

8 Part C of chapter II of the National Flood Insurance  
9 Act of 1968 (42 U.S.C. 4081 et seq.) is amended by add-  
10 ing at the end the following new section:

11 **“SEC. 1349. PENALTIES FOR FRAUD AND FALSE STATE-**  
12 **MENTS IN THE NATIONAL FLOOD INSURANCE**  
13 **PROGRAM.**

14 “(a) PROHIBITED ACTS.—A person shall not know-  
15 ingly make a false, fictitious, or fraudulent statement, pro-  
16 duction, or submission in connection with the proving or  
17 adjusting of a claim for flood insurance coverage made  
18 available under this Act. Such prohibited acts include—

19 “(1) knowingly forging an engineering report,  
20 claims adjustment report or technical assistance re-  
21 port used to support a claim determination;

22 “(2) knowingly making any materially false, fic-  
23 titious, or fraudulent statement or representation in  
24 an engineering report, claims adjustment report, or  
25 technical assistance report to support a claim deter-

1       mination that results in a wrongful denial or sub-  
2       stantial payment error of flood insurance coverage;  
3       and

4               “(3) knowingly submitting a materially false,  
5       fictitious, or fraudulent claim that results in wrong-  
6       ful payment of flood insurance coverage.

7       “(b) DEFINITION.—For purposes of this section, the  
8       term ‘knowingly’ means having actual awareness of the  
9       prohibitions under this part and acting deliberately in vio-  
10      lation of such prohibitions.

11       “(c) ADMINISTRATIVE REMEDY.—Prior to any legal  
12      action being taken related to this section, all administra-  
13      tive remedies shall be exhausted.

14       “(d) RULE OF CONSTRUCTION.—This section shall  
15      not be construed—

16               “(1) to prevent the Federal Government from  
17      bringing action against a company or individual  
18      under applicable statutes, including the False Claims  
19      Act; and

20               “(2) as creating any action, private right of ac-  
21      tion, or remedy not otherwise provided by this title  
22      or under Federal law.

23       “(e) STATE ACTION.—Any person found to have vio-  
24      lated subsection (a) shall be referred to the appropriate

1 and relevant State licensing agency by the Attorney Gen-  
2 eral.”.

3 **SEC. 4. ENHANCED POLICYHOLDER APPEALS PROCESS**  
4 **RIGHTS.**

5 (a) ESTABLISHMENT.—Part C of chapter II of the  
6 National Flood Insurance Act of 1968 (42 U.S.C. 4081  
7 et seq.), as amended by the preceding provisions of this  
8 Act, is further amended by adding at the end the following  
9 new section:

10 **“SEC. 1350. APPROVAL OF DECISIONS RELATING TO FLOOD**  
11 **INSURANCE COVERAGE.**

12 “(a) IN GENERAL.—The Administrator shall estab-  
13 lish an appeals process to enable holders of a flood insur-  
14 ance policy provided under this title to appeal decisions,  
15 with respect to the disallowance, in whole or in part, of  
16 any claims for losses covered by flood insurance. Such ap-  
17 peals shall be limited to the claim or portion of the claim  
18 disallowed.

19 “(b) APPEAL DECISION.—Upon a decision in an ap-  
20 peal under subsection (a), the Administrator shall provide  
21 the policyholder with a written appeal decision. The appeal  
22 decision shall explain the Administrator’s determination to  
23 uphold, modify, or overturn the decision. The Adminis-  
24 trator may direct the Write Your Own company to take

1 action necessary to resolve the appeal, to include re-inspec-  
2 tion, re-adjustment, or payment, as appropriate.

3 “(c) DEADLINE FOR APPEALS DECISION.—The Ad-  
4 ministrator shall issue an appeals decision pursuant to  
5 subsection (b) not later than the expiration of the 120-  
6 day period beginning upon the day on which the Adminis-  
7 trator acknowledges receipt of a request by the policy-  
8 holder to pursue an appeal of the initial determination re-  
9 garding approval, disapproval, or amount of payment by  
10 the Administrator. In cases where extraordinary cir-  
11 cumstances, as established by regulation, are dem-  
12 onstrated, the 120-day period may be extended by addi-  
13 tional successive periods of 30 days.

14 “(d) ADMINISTRATIVE REMEDY.—A policyholder  
15 shall exhaust all administrative remedies, including sub-  
16 mission of disputed claims to appeal under subsection (a),  
17 prior to commencing legal action on a disputed claim.

18 “(e) RULES OF CONSTRUCTION.—This section shall  
19 not be construed as—

20 “(1) making the Federal Emergency Manage-  
21 ment Agency or the Administrator a party to the  
22 flood insurance contract; or

23 “(2) creating any action or remedy not other-  
24 wise provided by this title.



1           “(f) POLICYHOLDER LITIGATION.—This section shall  
2 not be construed to prevent a policyholder from bringing  
3 legal action against the Federal Emergency Management  
4 Agency or a Write Your Own company following the ex-  
5 haustion of all administrative remedies and pursuant to  
6 applicable statute.”.

7           (b) MAINTENANCE OF LITIGATION RIGHTS.—Section  
8 1341 of the National Flood Insurance Act of 1968 (42  
9 U.S.C. 4072) is amended by adding after the period at  
10 the end the following: “For purposes of this section, the  
11 time from which the Administrator has acknowledged re-  
12 ceipt of a request by the policyholder to pursue an appeal  
13 of the initial determination regarding approval, dis-  
14 approval, or amount of payment by the Administrator  
15 until the Administrator mails a final determination of such  
16 appeal shall not be considered towards the one year stat-  
17 ute of limitation under this Act. However, this section  
18 shall not be construed as creating any action or remedy  
19 not otherwise provided by this title.”.

20           (c) REPEAL.—Section 205 of the Bunning-Bereuter-  
21 Blumenauer Flood Insurance Reform Act of 2004 (42  
22 U.S.C. 4011 note) is hereby repealed.

1 **SEC. 5. DEADLINE FOR APPROVAL OF CLAIMS.**

2 (a) IN GENERAL.—Section 1312 of the National  
3 Flood Insurance Act of 1968 (42 U.S.C. 4019) is amend-  
4 ed—

5 (1) in subsection (a), by striking “The Adminis-  
6 trator” and inserting “Subject to other provisions of  
7 this section, the Administrator”; and

8 (2) by adding at the end the following new sub-  
9 section:

10 “(d) DEADLINE FOR APPROVAL OF CLAIMS.—

11 “(1) IN GENERAL.—The Administrator shall  
12 provide that, in the case of any claim for damage to  
13 or loss of property under flood insurance coverage  
14 made available under this title, an initial determina-  
15 tion regarding approval of a claim for payment or  
16 disapproval of the claim be made, and notification of  
17 such determination be provided to the insured mak-  
18 ing such claim, not later than the expiration of the  
19 120-day period (as such period may be extended  
20 pursuant to paragraph (2)) beginning upon the day  
21 on which the policyholder submits a signed proof of  
22 loss detailing the damage and amount of the loss.  
23 Payment of approved claims shall be made as soon  
24 as possible after such approval.

25 “(2) EXTENSION OF DEADLINE.—The Adminis-  
26 trator shall—

1           “(A) provide that the period referred to in  
2           paragraph (1) may be extended by additional  
3           successive periods of 30 days in cases where ex-  
4           traordinary circumstances are demonstrated;  
5           and

6           “(B) establish, by regulation, criteria for  
7           demonstrating such extraordinary cir-  
8           cumstances.”.

9           (b) **APPLICABILITY.**—The amendments made by sub-  
10          section (a) shall apply to any claim under flood insurance  
11          coverage made available under the National Flood Insur-  
12          ance Act of 1968 (42 U.S.C. 4001 et seq.) pending on  
13          the date of the enactment of this Act and any claims made  
14          after such date of enactment.

15          **SEC. 6. LITIGATION PROCESS OVERSIGHT AND REFORM.**

16          (a) **IN GENERAL.**—Part C of chapter II of the Na-  
17          tional Flood Insurance Act of 1968 (42 U.S.C. 4081 et  
18          seq.), as amended by the preceding provisions of this Act,  
19          is further amended by adding at the end the following new  
20          section:

21          **“SEC. 1351. OVERSIGHT OF LITIGATION.**

22          “(a) **OVERSIGHT.**—The Administrator shall monitor  
23          and oversee litigation conducted by Write Your Own com-  
24          panies arising under contracts for flood insurance sold  
25          pursuant to this title, to ensure that—

1           “(1) litigation expenses are reasonable, appro-  
2           priate, and cost-effective; and

3           “(2) Write Your Own companies comply with  
4           guidance and procedures established by the Adminis-  
5           trator regarding the conduct of litigation.

6           “(b) DENIAL OF REIMBURSEMENT FOR EX-  
7           PENSES.—The Administrator may deny reimbursement  
8           for litigation expenses that are determined to be unreason-  
9           able, excessive, contrary to guidance issued by the Admin-  
10          istrator, or outside the scope of any arrangement entered  
11          into with a Write Your Own company.

12          “(c) JOINT DEFENSE.—

13           “(1) AUTHORITY.—The Administrator and the  
14          Write Your Own companies may enter into, and op-  
15          erate under, a joint defense agreement for any claim  
16          or lawsuit, or multiple claims or lawsuits, arising  
17          under a contract of flood insurance.

18           “(2) FREE FLOW OF INFORMATION.—Under  
19          such joint defense agreement, there may be the free  
20          flow of information between the Write Your Own  
21          companies, the Administrator, the United States De-  
22          partment of Justice, and legal counsel for the Write  
23          Your Own companies for the purpose of litigation  
24          coordination and to allow the Administrator to per-  
25          form oversight responsibility of such litigation.

1           “(3) ARRANGEMENT.—Such joint defense  
2 agreement may be included in the Arrangement be-  
3 tween the Administrator and the Write Your Own  
4 companies.

5           “(4) REGULATIONS.—The Administrator may  
6 issue rules or regulations or provide such formal  
7 guidance as the Administrator considers necessary  
8 and appropriate in order to further such joint de-  
9 fense agreement with the Write Your Own compa-  
10 nies.”.

11          (b) IMPLEMENTATION.—The Administrator of the  
12 Federal Emergency Management Agency shall initiate  
13 compliance with section 1351(c) of the National Flood In-  
14 surance Act of 1968, as added by the amendment made  
15 by subsection (a) of this section, not later than the expira-  
16 tion of the 12-month period beginning on the date of the  
17 enactment of this Act.

18 **SEC. 7. PROHIBITION ON HIRING DISBARRED ATTORNEYS.**

19          Part C of chapter II of the National Flood Insurance  
20 Act of 1968 (42 U.S.C. 4081 et seq.), as amended by the  
21 preceding provisions of this Act, is further amended by  
22 adding at the end the following new section:

1 **“SEC. 1352. PROHIBITION ON HIRING DISBARRED ATTOR-**  
2 **NEYS.**

3 “The Administrator may not at any time newly em-  
4 ploy in connection with the flood insurance program under  
5 this title any attorney who has been suspended or dis-  
6 barred by any court, bar, or Federal or State agency to  
7 which the individual was previously admitted to practice.”.

8 **SEC. 8. TECHNICAL ASSISTANCE REPORTS.**

9 (a) USE.—Section 1312 of the National Flood Insur-  
10 ance Act of 1968 (42 U.S.C. 4019), as amended by the  
11 preceding provisions of this Act, is further amended by  
12 adding at the end the following new subsection:

13 “(e) USE OF TECHNICAL ASSISTANCE REPORTS.—  
14 When adjusting claims for any damage to or loss of prop-  
15 erty which is covered by flood insurance made available  
16 under this title, the Administrator may rely upon technical  
17 assistance reports, as such term is defined in section  
18 1312A, only if such reports are final and are prepared  
19 in compliance with applicable State and Federal laws re-  
20 garding professional licensure and conduct.”.

21 (b) DISCLOSURE.—The National Flood Insurance  
22 Act of 1968 is amended by inserting after section 1312  
23 (42 U.S.C. 4019) the following new section:

1 **“SEC. 1312A. DISCLOSURE OF TECHNICAL ASSISTANCE RE-**  
2 **PORTS.**

3 “(a) IN GENERAL.—Notwithstanding section 552a of  
4 title 5, United States Code, upon request by a policy-  
5 holder, the Administrator shall provide a true, complete,  
6 and unredacted copy of any technical assistance report  
7 that the Administrator relied upon in adjusting and pay-  
8 ing for any damage to or loss of property insured by the  
9 policyholder and covered by flood insurance made available  
10 under this title. Such disclosures shall be in addition to  
11 any other right of disclosure otherwise made available pur-  
12 suant such section 552a or any other provision of law.

13 “(b) DIRECT DISCLOSURE BY WRITE YOUR OWN  
14 COMPANIES AND DIRECT SERVICING AGENTS.—A Write  
15 Your Own company or direct servicing agent in possession  
16 of a technical assistance report subject to disclosure under  
17 subsection (a) may disclose such technical assistance re-  
18 port without further review or approval by the Adminis-  
19 trator.

20 “(c) DEFINITIONS.—For purposes of this section, the  
21 following definitions shall apply:

22 “(1) POLICYHOLDER.—The term ‘policyholder’  
23 means a person or persons shown as an insured on  
24 the declarations page of a policy for flood insurance  
25 coverage sold pursuant to this title.

1           “(2) TECHNICAL ASSISTANCE REPORT.—The  
2 term ‘technical assistance report’ means a report  
3 created for the purpose of furnishing technical as-  
4 sistance to an insurance claims adjuster assigned by  
5 the National Flood Insurance Program, including by  
6 engineers, surveyors, salvors, architects, and cer-  
7 tified public accounts.”.

8 **SEC. 9. IMPROVED DISCLOSURE REQUIREMENT FOR**  
9 **STANDARD FLOOD INSURANCE POLICIES.**

10       (a) IN GENERAL.—Section 100234 of the Biggert-  
11 Waters Flood Insurance Reform Act of 2012 (42 U.S.C.  
12 4013a) is amended by adding at the end the following new  
13 subsections:

14       “(c) DISCLOSURE OF COVERAGE.—

15           “(1) DISCLOSURE SHEET.—Each policy under  
16 the National Flood Insurance Program shall include  
17 a standard disclosure sheet that is produced by the  
18 Administrator that sets forth, in plain language—

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

21                   “(B) a description of what type of flood  
22 forces are necessary so that losses from an  
23 event are covered under the policy, including  
24 overflow of inland or tidal waves, unusual and



1 rapid accumulation or runoff of a surface any  
2 source, and mudflow;

3 “(C) a statement acknowledging that a  
4 standard flood insurance policy does not cover  
5 basement improvements, such as finished walls,  
6 floors, and ceilings, or personal property kept in  
7 a basement;

8 “(D) a statement acknowledging a stand-  
9 ard flood insurance policy does not include cov-  
10 erage for personal property, but such coverage  
11 may be purchased, for some personal property  
12 contained in a basement, as well as personal be-  
13 longings contained elsewhere in the dwelling;

14 “(E) a statement of the other types and  
15 characteristics of losses that are not covered  
16 under the policy;

17 “(F) a statement that the disclosure sheet  
18 provides general information about the policy-  
19 holder’s standard flood insurance policy;

20 “(G) a statement that the standard flood  
21 insurance policy, together with the endorse-  
22 ments and declarations page, make up the offi-  
23 cial contract and are controlling in the event  
24 that there is any difference between the infor-

1           mation on the disclosure sheet and the informa-  
2           tion in the policy;

3           “(H) a statement that, if the policyholder  
4           has any questions regarding information in the  
5           disclosure sheet or policy, the policyholder  
6           should contact the entity selling the policy on  
7           behalf of the Program, together with contact in-  
8           formation sufficient to allow the policyholder to  
9           contact such entity; and

10           “(I) any other information that the Admin-  
11           istrator determines will be helpful to policy-  
12           holder in understanding flood insurance cov-  
13           erage.

14           “(2) ACKNOWLEDGMENT SHEET.—Each policy  
15           application under the National Flood Insurance Pro-  
16           gram shall include an acknowledgment sheet on  
17           which the policyholder shall affirmatively—

18           “(A) acknowledge that the policyholder re-  
19           ceived the disclosure sheet required under para-  
20           graph (1);

21           “(B) accept or decline coverage for per-  
22           sonal property;

23           “(C) accept or decline other optional cov-  
24           erage that may be available;

1           “(D) acknowledge the policyholder’s under-  
2           standing that the standard flood insurance pol-  
3           icy, together with the endorsements and dec-  
4           larations page, make up the official contract  
5           and are controlling in the event that there is  
6           any difference between the information on the  
7           acknowledgment sheet and the information in  
8           the policy; and

9           “(E) acknowledge that the policyholder has  
10          been provided and has reviewed a summary,  
11          which may be the policy declarations page, of  
12          the total cost, amount and extent of insurance  
13          coverage provided under the policy.

14          “(d) **RULE OF CONSTRUCTION.**—This section shall  
15          not be construed to void or alter the coverage terms of  
16          the underlying standard flood insurance policy and the  
17          corresponding endorsements. In the event that the cus-  
18          tomer does not affirmatively acknowledge the require-  
19          ments under subsection (c)(2), a Write Your Own com-  
20          pany may still issue the policy on behalf of the National  
21          Flood Insurance Program under such terms.”.

22          (b) **REPEALS.**—Sections 202 and 203 of the Bun-  
23          ning-Bereuter-Blumenauer Flood Insurance Reform Act  
24          of 2004 (42 U.S.C. 4011 note) are hereby repealed.

1 **SEC. 10. RESERVE FUND AMOUNTS.**

2 Section 1310 of the National Flood Insurance Act of  
3 1968 (42 U.S.C. 4017) is amended by adding at the end  
4 the following new subsection:

5 “(g) CREDITING OF RESERVE FUND AMOUNTS.—  
6 Funds collected pursuant to section 1310A may be cred-  
7 ited to the Fund under this section to be available for the  
8 purpose described in subsection (d)(1).”.

9 **SEC. 11. SUFFICIENT STAFFING FOR OFFICE OF FLOOD IN-**  
10 **SURANCE ADVOCATE.**

11 (a) IN GENERAL.—Section 24 of the Homeowner  
12 Flood Insurance Affordability Act of 2014 (42 U.S.C.  
13 4033) is amended by adding at the end the following new  
14 subsection:

15 “(c) STAFF.—The Administrator shall ensure that  
16 the Flood Insurance Advocate has sufficient staff to carry  
17 out all of the duties and responsibilities of the Advocate  
18 under this section.”.

19 (b) TIMING.—The Administrator of the Federal  
20 Emergency Management Agency shall take such actions  
21 as may be necessary to provide for full compliance with  
22 section 24(c) of the Homeowner Flood Insurance Afford-  
23 ability Act of 2014, as added by the amendment made by  
24 subsection (a) of this section, not later than the expiration  
25 of the 180-day period beginning on the date of the enact-  
26 ment of this Act.

1 **SEC. 12. FEDERAL FLOOD INSURANCE ADVISORY COM-**  
2 **MITTEE.**

3 Section 1318 of the National Flood Insurance Act of  
4 1968 (42 U.S.C. 4025) is amended to read as follows:

5 **“SEC. 1318. FEDERAL FLOOD INSURANCE ADVISORY COM-**  
6 **MITTEE.**

7 “(a) **ESTABLISHMENT.**—There is established an advi-  
8 sory committee to be known as the Federal Flood Insur-  
9 ance Advisory Committee (in this section referred to as  
10 the ‘Committee’).

11 “(b) **MEMBERSHIP.**—

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

14 “(A) the Administrator of the Federal  
15 Emergency Management Agency (in this section  
16 referred to as the ‘Administrator’), or the des-  
17 ignee thereof; and

18 “(B) additional members appointed by the  
19 Administrator or the designee of the Adminis-  
20 trator, who shall include—

21 “(i) three representatives of Write  
22 Your Own companies;

23 “(ii) one individual who served in the  
24 past, or is currently serving, as an insur-  
25 ance regulator of a State, the District of  
26 Columbia, the Commonwealth of Puerto

1 Rico, Guam, the Commonwealth of the  
2 Northern Mariana Islands, the Virgin Is-  
3 lands, American Samoa, or any federally-  
4 recognized Indian tribe;

5 “(iii) one representative of the finan-  
6 cial or insurance sectors who is involved in  
7 risk transfers, including reinsurance, resil-  
8 ience bonds, and other insurance-linked se-  
9 curities;

10 “(iv) one actuary with demonstrated  
11 high-level knowledge of catastrophic risk  
12 insurance;

13 “(v) two insurance agents or brokers  
14 with demonstrated experience with the sale  
15 of flood insurance under the National  
16 Flood Insurance Program, one of whom  
17 shall have demonstrated expertise in the  
18 challenges in insuring low-income commu-  
19 nities;

20 “(vi) one insurance claims specialist;

21 “(vii) one representative of a recog-  
22 nized consumer advocacy organization; and

23 “(viii) one representative from an aca-  
24 demic institution who has demonstrated  
25 expertise in insurance.

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

9           “(c) DUTIES.—The Administrator shall submit, and  
10          the Committee shall review and make recommendations  
11          on, matters related to the insurance aspects of the Na-  
12          tional Flood Insurance Program, including ratemaking,  
13          technology to administer insurance, risk assessment, actu-  
14          arial practices, claims practices, sales and insurance deliv-  
15          ery, compensation and allowances, the public-private part-  
16          nership under the Write Your Own arrangement, general  
17          best insurance practices, and any significant changes pro-  
18          posed to be made regarding the operation of the National  
19          Flood Insurance Program.

20          “(d) CHAIRPERSON.—The members of the Com-  
21          mittee shall elect one member to serve as the chairperson  
22          of the Committee (in this section referred to as the ‘Chair-  
23          person’).

24          “(e) COMPENSATION.—Members of the Committee  
25          shall receive no additional compensation by reason of their

1 service on the Committee. Members may be reimbursed  
2 by the Federal Government for travel expenses, including  
3 per diem in lieu of subsistence, at rates consistent with  
4 rates authorized for employees of Federal agencies under  
5 subchapter 1 of chapter 57 of title 5, United States Code,  
6 while away from home or regular places of business in per-  
7 formance of service for the Committee.

8 “(f) MEETINGS AND ACTIONS.—

9 “(1) IN GENERAL.—The Committee shall meet  
10 not less frequently than twice each year at the re-  
11 quest of the Chairperson or a majority of its mem-  
12 bers, and may take action by a vote of the majority  
13 of the members in accordance with the Committee’s  
14 charter.

15 “(2) INITIAL MEETING.—The Administrator, or  
16 a person designated by the Administrator, shall re-  
17 quest and coordinate the initial meeting of the Com-  
18 mittee.

19 “(g) TRANSPARENCY; FACA.—To the greatest ex-  
20 tent possible, the Committee shall operate in a transparent  
21 manner that adheres to the requirements of the Federal  
22 Advisory Committee Act, with the exception that the Com-  
23 mittee shall be permitted to freely communicate both dur-  
24 ing and between meetings under paragraph (f) in a con-  
25 fidential manner to discuss non-public information regard-



1 ing the operations of the National Flood Insurance Pro-  
2 gram and other sensitive and non-public issues. If such  
3 communication occurs, the Committee shall, to the great-  
4 est extent possible, report a summary of such discussions  
5 in an appropriate public manner.

6 “(h) STAFF OF FEMA.—Upon the request of the  
7 Chairperson, the Administrator may detail, on a non-  
8 reimbursable basis, personnel of the Federal Emergency  
9 Management Agency to assist the Committee in carrying  
10 out its duties.

11 “(i) POWERS.—In carrying out this section, the Com-  
12 mittee may hold hearings, receive evidence and assistance,  
13 provide information, and conduct research, as it considers  
14 appropriate.

15 “(j) REPORTS TO CONGRESS.—The Administrator,  
16 on an annual basis, shall report to the Committee on Fi-  
17 nancial Services of the House of Representatives, the  
18 Committee on Banking, Housing, and Urban Affairs of  
19 the Senate, and the Office of Management and Budget  
20 on—

21 “(1) the recommendations made by the Com-  
22 mittee;

23 “(2) actions taken by the Federal Emergency  
24 Management Agency to address such recommenda-

1 tions to improve the insurance aspects of the na-  
2 tional flood insurance program; and

3 “(3) any recommendations made by the Com-  
4 mittee that have been deferred or not acted upon,  
5 together with an explanatory statement.

6 “(k) **RULE OF CONSTRUCTION.**—This section shall  
7 not be construed to eliminate or alter any requirement on  
8 the Administrator associated with the notification or con-  
9 sultation of specified individuals or groups of individuals  
10 as required elsewhere by statute.”.

11 **SEC. 13. INTERAGENCY GUIDANCE ON COMPLIANCE.**

12 The Federal entities for lending regulation (as such  
13 term is defined in section 3(a) of the Flood Disaster Pro-  
14 tection Act of 1973 (42 U.S.C. 4003(a))), in consultation  
15 with the Administrator of the Federal Emergency Man-  
16 agement Agency, shall update and reissue the document  
17 entitled “Interagency Questions and Answers Regarding  
18 Flood Insurance” not later than the expiration of the 12-  
19 month period beginning on the date of the enactment of  
20 this Act and not less frequently than biennially thereafter.

21 **SEC. 14. GAO STUDY OF CLAIMS ADJUSTMENT PRACTICES.**

22 The Comptroller General of the United States shall  
23 conduct a study of the policies and practices for adjust-  
24 ment of claims for losses under flood insurance coverage

1 made available under the National Flood Insurance Act,  
2 which shall include—

3 (1) a comparison of such policies and practices  
4 with the policies and practices for adjustment of  
5 claims for losses under other insurance coverage;

6 (2) an assessment of the quality of the adjust-  
7 ments conducted and the effects of such policies and  
8 practices on such quality;

9 (3) identification of any incentives under such  
10 policies and practices that affect the speed with  
11 which such adjustments are conducted; and

12 (4) identification of the affects of such policies  
13 and practices on insureds submitting such claims for  
14 losses.

15 Not later than the expiration of the 18-month period be-  
16 ginning on the date of the enactment of this Act, the  
17 Comptroller General shall submit a report to the Com-  
18 mittee on Financial Services of the House of Representa-  
19 tives and the Committee on Banking, Housing, and Urban  
20 Affairs of the Senate regarding the findings and conclu-  
21 sions of the study conducted pursuant to this section.

22 **SEC. 15. GAO STUDY OF FLOOD INSURANCE COVERAGE**  
23 **TREATMENT OF EARTH MOVEMENT.**

24 The Comptroller General of the United States shall  
25 conduct a study of the treatment, under flood insurance

1 coverage made available under the National Flood Insur-  
2 ance Act, of earth movement and subsidence, including  
3 earth movement and subsidence caused by flooding, which  
4 shall include—

5 (1) identification and analysis of the effects of  
6 such treatment on the National Flood Insurance  
7 Program and insureds under the program;

8 (2) an assessment of the availability and afford-  
9 ability of coverage in the private insurance market  
10 for earth movement and subsidence caused by flood-  
11 ing;

12 (3) an assessment of the effects on the National  
13 Flood Insurance Program of covering earth move-  
14 ment and subsidence caused by flooding; and

15 (4) a projection of the increased premiums that  
16 would be required to make coverage for earth move-  
17 ment losses actuarially sound and not fiscally detri-  
18 mental to the continuation of the National Flood In-  
19 surance Program.

20 Not later than the expiration of the 18-month period be-  
21 ginning on the date of the enactment of this Act, the  
22 Comptroller General shall submit a report to the Com-  
23 mittee on Financial Services of the House of Representa-  
24 tives and the Committee on Banking, Housing, and Urban

1 Affairs of the Senate regarding the findings and conclu-  
2 sions of the study conducted pursuant to this section.

3 **SEC. 16. DEFINITIONS.**

4 (a) NATIONAL FLOOD INSURANCE ACT OF 1968.—  
5 Subsection (a) of section 1370 of the National Flood In-  
6 surance Act of 1968 (42 U.S.C. 4121(a)) is amended—

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

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

11 (3) by adding at the end the following new  
12 paragraphs:

13 “(16) the term ‘Write Your Own Program’  
14 means the program under which the Federal Emer-  
15 gency Management Agency enters into a standard  
16 arrangement with private property insurance compa-  
17 nies to sell contracts for flood insurance coverage  
18 under this title under their own business lines of in-  
19 surance, and to adjust and pay claims arising under  
20 such contracts; and

21 “(17) the term ‘Write Your Own company’  
22 means a private property insurance company that  
23 participates in the Write Your Own Program.”.

24 (b) BIGGERT-WATERS FLOOD INSURANCE REFORM  
25 ACT OF 2012.—Subsection (a) of section 100202 of the

1 Biggert-Waters Flood Insurance Reform Act of 2012 (42  
2 U.S.C. 4004(a)) is amended by striking paragraph (5) and  
3 inserting the following new paragraph:

4           “(5) WRITE YOUR OWN.—The terms ‘Write  
5       Your Own Program’ and ‘Write Your Own company’  
6       have the meanings given such terms in section  
7       1370(a) of the National Flood Insurance Act of  
8       1968 (42 U.S.C. 4121(a)).”.