

AMENDMENT TO H.R. 4320

OFFERED BY MR. WATT OF NORTH CAROLINA, MS. WATERS OF CALIFORNIA, MS. CARSON OF INDIANA, MR. MEEKS OF NEW YORK, MS. LEE OF CALIFORNIA, MR. FORD OF TENNESSEE, MR. CLAY OF MISSOURI, MR. SCOTT OF GEORGIA, MR. DAVIS OF ALABAMA, MR. GREEN OF TEXAS, MR. CLEAVER OF MISSOURI AND MS. MOORE OF WISCONSIN

Page 7, after line 6, insert the following and renumber the subsequent sections accordingly:

**SEC. 5. TEMPORARY FLOOD INSURANCE BUY-IN PROGRAM.**

(a) IN GENERAL.—The Director of the Federal Emergency Management Agency shall make available flood insurance coverage under the national flood insurance program available for eligible structures, in accordance with this section.

(b) SCOPE OF COVERAGE.—

(1) ELIGIBLE LOSSES.—Coverage may be made available under this section only for a damage or loss to an eligible structure, but not including any contents thereof, from flooding resulting from Hurricane Katrina.

(2) AMOUNT.—The amount of such coverage made available under this section for an eligible structure may not exceed the lesser of—

(A) the maximum amount of coverage that may be made available for such structure under the national flood insurance program; and

(B) the amount of coverage provided for the structure, as of August 28, 2005, under the policy for losses caused by wind or windstorm (as referred to in subsection (c)(3)).

(c) ELIGIBLE STRUCTURES.—For purposes of this section, an eligible structure is a structure that—

(1) sustained damage from flooding resulting from Hurricane Katrina of 2005;

(2) is of a type (including residential properties, business properties, and others) for which coverage was generally made available under the national flood insurance program as of August 28, 2005;

(3) is located in a covered disaster area (as such term is defined in subsection (h));

(4) as of August 28, 2005, was covered by an insurance policy for losses caused by wind or wind storm;

(5) is not located in an area that has been identified by the Director as an area having special flood hazards (as such term is used for purposes

*being within the 100 year flood zone (unanimous consent)*

~~of section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a)); and~~

(6) was not covered by flood insurance made available under the national flood insurance program at the time of such damage.

(d) PREMIUMS.—

(1) AMOUNT.—The Director shall charge, for coverage made available under this section for an eligible structure, premiums in the amount equal to 105 percent of the aggregate amount of premiums that would have been charged, at the time, for coverage for the structure under the national flood insurance program (for the type and amount of coverage provided) for the 10-year period that ends upon the date of purchase of such coverage.

(2) DEDUCTION FROM CLAIMS.—The Director shall provide that a purchaser of coverage made available under this section may pay premiums charged for such coverage pursuant to paragraph (1) by deducting such amounts from the amount of any claims payable under such coverage.

(3) CREDITS TO NFIF.—There shall be credited to the National Flood Insurance Fund established under section 1310 of the National Flood Insurance Act of 1968 (42 U.S.C. 4017) the following amounts:

(A) Any premiums collected pursuant to this section.

(B) From amounts appropriated pursuant to subsection (i)(1), an amount equal to the amount of any premiums charged for coverage made available under this subsection that are not collected by the Director as a result of the operation of paragraph (2) of this subsection.

(e) CLAIMS.—Claims for damage or loss pursuant to coverage made available under this section may be paid only from amounts made available in appropriation Acts pursuant to subsection (i). Amounts in the National Flood Insurance Fund established under section 1310 of the National Flood Insurance Act of 1968, including any amount credited to such Fund pursuant to subsection (d)(3), shall not be available for paying claims under coverage made available under this section.

(f) REQUIREMENTS TO OBTAIN FUTURE COVERAGE AND TAKE MITIGATION ACTIONS.—The Director may not make coverage available under this section for an eligible structure unless the owner of the structure enters into binding agreements, contained in such deed restrictions as the Director considers appropriate, to ensure that such owner, and any future owners, will—

(1) at all times after purchasing coverage under this section for the structure, in perpetuity, maintain coverage under the national flood insurance program, for any structures located at any time on the same property on which, at the time of purchase, such eligible structure is located, in an amount at least equal to the lesser of—

(A) the value of the structure, as determined by the Director; or

(B) the maximum limit of coverage made available with respect to the particular type of property under the national flood insurance program; and

(2) accept any offer to take mitigation actions or activities made, with respect to the structure, under a mitigation program under section 1323, 1361A, or 1366 of the National Flood Insurance Act of 1968 (42 U.S.C. 4030, 4102a, 4104c).

(g) PREMIUM RATES FOR FUTURE COVERAGE.—In establishing rates for flood insurance coverage, other than coverage under this section, made available under the national flood insurance program, the Director shall not consider, in any manner—

(1) any premiums charged or collected pursuant to subsection (d);

(2) any claims paid pursuant to coverage made available under this section; or

(3) any amounts appropriated pursuant to subsection (i).

(h) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) COVERED DISASTER AREA.—The term “covered disaster area” means an area—

(A) for which a major disaster was declared by the President pursuant to title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act as a result of Hurricane Katrina of 2005; and

(B) in which the sale of flood insurance coverage was available under the National Flood Insurance Act of 1968 as of August 28, 2004.

(2) DIRECTOR.—The term “Director” means the Director of the Federal Emergency Management Agency.

(i) AUTHORIZATION OF APPROPRIATIONS.—

(1) FOR CLAIMS PAYMENTS.—There are authorized to be appropriated to the Director such sums as may be necessary to cover all costs of flood insurance coverage made available under this section, including administrative expenses and claims under such coverage.

(2) FOR MITIGATION ASSISTANCE.—There are authorized to be appropriated such sums as may be necessary, for the national flood insurance fund established under section 1310 of the National Flood Insurance Act of 1968 and for the national flood mitigation fund established under section 1367 of such Act (42 U.S.C. 4104d), for use only for mitigation activities under the programs under sections 1323, 1361A, and 1366 of the National Flood Insurance Act of 1968 (42 U.S.C. 4030, 4102a, 4104c), as appropriate, for eligible structures.

(j) TERMINATION.—The Director may not enter into any contract or policy for coverage under this section except pursuant to an application for such coverage submitted to the Director before the expiration of the 90-day period beginning on the date of the enactment of this Act.