

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 3111  
OFFERED BY MS. VELÁZQUEZ OF NEW YORK**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the  
3 “National Flood Insurance Program Administrative Re-  
4 form Act of 2019”.

5 (b) **TABLE OF CONTENTS.**—The table of contents for  
6 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.

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

3 Section 1311 of the National Flood Insurance Act of  
4 1968 (42 U.S.C. 4018) is amended by adding at the end  
5 the following new subsection:

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

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

20 “(2) INVESTIGATION OF PROPERTIES.—Under  
21 the pilot program under this subsection, a Write  
22 Your Own company participating in the program  
23 shall—

24 “(A) provide in policies for flood insurance  
25 coverage under this title covered by the pro-

1           gram that, upon the request of the policyholder,  
2           the company shall provide for—

3                   “(i) an investigation of the property  
4                   covered by such policy, using common  
5                   methods, to determine whether preexisting  
6                   structural conditions are present that could  
7                   result in the denial of a claim under such  
8                   policy for flood losses; and

9                   “(ii) if such investigation is not deter-  
10                  minative, an on-site inspection of the prop-  
11                  erty to determine whether such preexisting  
12                  structural conditions are present;

13                  “(B) upon completion of an investigation  
14                  or inspection pursuant to subparagraph (A)  
15                  that determines that such a preexisting struc-  
16                  tural condition is present or absent, submit a  
17                  report to the policyholder and Administrator de-  
18                  scribing the condition; and

19                  “(C) impose a surcharge on each policy de-  
20                  scribed in subparagraph (A) in such amount  
21                  that the Administrator determines is appro-  
22                  priate to cover the costs of investigations and  
23                  inspections performed pursuant to such policies  
24                  and reimburse Write Your Own companies par-

1           ticipating in the program under this subsection  
2           for such costs.

3           “(3) INTERIM REPORT.—Not later than Decem-  
4           ber 31, 2023, the Administrator shall submit a re-  
5           port to the Committee on Financial Services of the  
6           House of Representatives and the Committee on  
7           Banking, Housing, and Urban Affairs of the Senate  
8           describing the operation of the pilot program to that  
9           date.

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

13          “(5) FINAL REPORT.—Not later than March  
14          31, 2025, the Administrator shall submit a final re-  
15          port regarding the pilot program under this section  
16          to the Committee on Financial Services of the House  
17          of Representatives and the Committee on Banking,  
18          Housing, and Urban Affairs of the Senate. The re-  
19          port shall include any findings and recommendations  
20          of the Administrator regarding the pilot program.”.

1 **SEC. 3. PENALTIES FOR FRAUD AND FALSE STATEMENTS**  
2 **IN THE NATIONAL FLOOD INSURANCE PRO-**  
3 **GRAM.**

4 Part C of chapter 2 of the National Flood Insurance  
5 Act of 1968 (42 U.S.C. 4081 et seq.) is amended by add-  
6 ing at the end the following new section:

7 **“SEC. 1349. PENALTIES FOR FRAUD AND FALSE STATE-**  
8 **MENTS IN THE NATIONAL FLOOD INSURANCE**  
9 **PROGRAM.**

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

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

18 “(2) knowingly making any materially false, fic-  
19 titious, or fraudulent statement or representation in  
20 an engineering report, claims adjustment report, or  
21 technical assistance report to support a claim deter-  
22 mination that results in a wrongful denial or sub-  
23 stantial payment error of flood insurance coverage;

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

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

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

8           “(d) RULE OF CONSTRUCTION.—This section shall  
9 not be construed—

10           “(1) to prevent the Federal Government from  
11 bringing action against a company or individual  
12 under applicable statutes, including the False Claims  
13 Act; and

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

17           “(3) STATE ACTION.—Any person found to  
18 have violated subsection (a) shall be referred to the  
19 appropriate and relevant State licensing agency by  
20 the Attorney General.”.

21 **SEC. 4. ENHANCED POLICYHOLDER APPEALS PROCESS**  
22 **RIGHTS.**

23           (a) ESTABLISHMENT.—Part C of chapter II of the  
24 National Flood Insurance Act of 1968 (42 U.S.C. 4081  
25 et seq.), as amended by the preceding provisions of this

1 Act, is further amended by adding at the end the following  
2 new section:

3 **“SEC. 1350. APPROVAL OF DECISIONS RELATING TO FLOOD**  
4 **INSURANCE COVERAGE.**

5 “(a) IN GENERAL.—The Administrator shall estab-  
6 lish an appeals process to enable holders of a flood insur-  
7 ance policy provided under this title to appeal decisions,  
8 with respect to the disallowance, in whole or in part, of  
9 any claims for losses covered by flood insurance. Such ap-  
10 peals shall be limited to the claim or portion of the claim  
11 disallowed.

12 “(b) APPEAL DECISION.—Upon a decision in an ap-  
13 peal under subsection (a), the Administrator shall provide  
14 the policyholder with a written appeal decision. The appeal  
15 decision shall explain the Administrator’s determination to  
16 uphold, modify, or overturn the decision. The Adminis-  
17 trator may direct the Write Your Own company to take  
18 action necessary to resolve the appeal, to include re-inspec-  
19 tion, re-adjustment, or payment, as appropriate.

20 “(c) DEADLINE FOR APPEALS DECISION.— The Ad-  
21 ministrator shall issue an appeals decision pursuant to  
22 subsection (b) not later than the expiration of the 120-  
23 day period beginning upon the day on which the Adminis-  
24 trator acknowledges receipt of a request by the policy-  
25 holder to pursue an appeal of the initial determination re-

1 guarding approval, disapproval, or amount of payment by  
2 the Administrator. In cases where extraordinary cir-  
3 cumstances, as established by regulation, are dem-  
4 onstrated, the 120-day period may be extended by addi-  
5 tional successive periods of 30 days.

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

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

12 “(1) making the Federal Emergency Manage-  
13 ment Agency or the Administrator a party to the  
14 flood insurance contract; or

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

17 “(f) POLICYHOLDER LITIGATION.—This section shall  
18 not be construed to prevent a policyholder from bringing  
19 legal action against the Federal Emergency Management  
20 Agency or a Write Your Own company following the ex-  
21 haustion of all administrative remedies and pursuant to  
22 applicable statute.”.

23 (b) MAINTENANCE OF LITIGATION RIGHTS.—Section  
24 1341 of the National Flood Insurance Act of 1968 (42  
25 U.S.C. 4072) is amended by adding after the period at



1 the end the following: “For purposes of this section, the  
2 time from which the Administrator has acknowledged re-  
3 ceipt of a request by the policyholder to pursue an appeal  
4 of the initial determination regarding approval, dis-  
5 approval, or amount of payment by the Administrator  
6 until the Administrator mails a final determination of such  
7 appeal shall not be considered towards the one year stat-  
8 ute of limitation under this Act. However, this section  
9 shall not be construed as creating any action or remedy  
10 not otherwise provided by this title.”

11 (c) REPEAL.—Section 205 of the Bunning-Blu-  
12 menauer-Bereuter Flood Insurance Reform Act of 2004  
13 (42 U.S.C. 4011 note) is hereby repealed.

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

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

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

21 (2) by adding at the end the following new sub-  
22 section:

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

24 “(1) IN GENERAL.—The Administrator shall  
25 provide that, in the case of any claim for damage to

1 or loss of property under flood insurance coverage  
2 made available under this title, an initial determina-  
3 tion regarding approval of a claim for payment or  
4 disapproval of the claim be made, and notification of  
5 such determination be provided to the insured mak-  
6 ing such claim, not later than the expiration of the  
7 120-day period (as such period may be extended  
8 pursuant to paragraph (2)) beginning upon the day  
9 on which the policyholder submits a signed proof of  
10 loss detailing the damage and amount of the loss.  
11 Payment of approved claims shall be made as soon  
12 as possible after such approval.

13 “(2) EXTENSION OF DEADLINE.—The Adminis-  
14 trator shall—

15 “(A) provide that the period referred to in  
16 paragraph (1) may be extended by additional  
17 successive periods of 30 days in cases where ex-  
18 traordinary circumstances are demonstrated;  
19 and

20 “(B) establish, by regulation, criteria for  
21 demonstrating such extraordinary cir-  
22 cumstances.”.

23 (b) APPLICABILITY.—The amendments made by sub-  
24 section (a) shall apply to any claim under flood insurance  
25 coverage made available under the National Flood Insur-

1 ance Act of 1968 (42 U.S.C. 4001 et seq.) pending on  
2 the date of the enactment of this Act and any claims made  
3 after such date of enactment.

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

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

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

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

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

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

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

1 “(c) JOINT DEFENSE.—

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

7 “(2) FREE FLOW OF INFORMATION.—Under  
8 such joint defense agreement, there may be the free  
9 flow of information between the Write Your Own  
10 companies, the Administrator, the United States De-  
11 partment of Justice, and legal counsel for the Write  
12 Your Own companies for the purpose of litigation  
13 coordination and to allow the Administrator to per-  
14 form oversight responsibility of such litigation.

15 “(3) ARRANGEMENT.— Such joint defense  
16 agreement may be included in the Arrangement be-  
17 tween the Administrator and the Write Your Own  
18 companies.

19 “(4) REGULATIONS.—The Administrator may  
20 issue rules or regulations or provide such formal  
21 guidance as the Administrator considers necessary  
22 and appropriate in order to further such joint de-  
23 fense agreement with the Write Your Own compa-  
24 nies.”.

1 (b) IMPLEMENTATION.—The Administrator of the  
2 Federal Emergency Management Agency shall initiate  
3 compliance with section 1351(c) of the National Flood In-  
4 surance Act of 1968, as added by the amendment made  
5 by subsection (a) of this section, not later than the expira-  
6 tion of the 12-month period beginning on the date of the  
7 enactment of this Act.

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

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

13 **“SEC. 1352. PROHIBITION ON HIRING DISBARRED ATTOR-**  
14 **NEYS.**

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

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

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

1 “(e) USE OF TECHNICAL ASSISTANCE REPORTS.—  
2 When adjusting claims for any damage to or loss of prop-  
3 erty which is covered by flood insurance made available  
4 under this title, the Administrator may rely upon technical  
5 assistance reports, as such term is defined in section  
6 1312A, only if such reports are final and are prepared  
7 in compliance with applicable State and Federal laws re-  
8 garding professional licensure and conduct.”.

9 (b) DISCLOSURE.—The National Flood Insurance  
10 Act of 1968 is amended by inserting after section 1312  
11 (42 U.S.C. 4019) the following new section:

12 **“SEC. 1312A. DISCLOSURE OF TECHNICAL ASSISTANCE RE-**  
13 **PORTS.**

14 “(a) IN GENERAL.—Notwithstanding section 552a of  
15 title 5, United States Code, upon request by a policy-  
16 holder, the Administrator shall provide a true, complete,  
17 and unredacted copy of any technical assistance report  
18 that the Administrator relied upon in adjusting and pay-  
19 ing for any damage to or loss of property insured by the  
20 policyholder and covered by flood insurance made available  
21 under this title. Such disclosures shall be in addition to  
22 any other right of disclosure otherwise made available pur-  
23 suant such section 552a or any other provision of law.

24 “(b) DIRECT DISCLOSURE BY WRITE YOUR OWN  
25 COMPANIES AND DIRECT SERVICING AGENTS.—A Write

1 Your Own company or direct servicing agent in possession  
2 of a technical assistance report subject to disclosure under  
3 subsection (a) may disclose such technical assistance re-  
4 port without further review or approval by the Adminis-  
5 trator.

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

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

12 “(2) TECHNICAL ASSISTANCE REPORT.—The  
13 term ‘technical assistance report’ means a report  
14 created for the purpose of furnishing technical as-  
15 sistance to an insurance claims adjuster assigned by  
16 the National Flood Insurance Program, including by  
17 engineers, surveyors, salvors, architects, and cer-  
18 tified public accounts.”.

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

21 (a) IN GENERAL.—Section 100234 of the Biggert-  
22 Waters Flood Insurance Reform Act of 2012 (42 U.S.C.  
23 4013a) is amended by adding at the end the following new  
24 subsections:

25 “(c) DISCLOSURE OF COVERAGE.—

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

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

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

13                  “(C) a statement acknowledging that a  
14                  standard flood insurance policy does not cover  
15                  basement improvements, such as finished walls,  
16                  floors, and ceilings, or personal property kept in  
17                  a basement;

18                  “(D) a statement acknowledging a stand-  
19                  ard flood insurance policy does not include cov-  
20                  erage for personal property, but such coverage  
21                  may be purchased, for some personal property  
22                  contained in a basement, as well as personal be-  
23                  longings contained elsewhere in the dwelling;



1           “(E) a statement of the other types and  
2 characteristics of losses that are not covered  
3 under the policy;

4           “(F) a statement that the disclosure sheet  
5 provides general information about the policy-  
6 holder’s standard flood insurance policy;

7           “(G) a statement that the standard flood  
8 insurance policy, together with the endorse-  
9 ments and declarations page, make up the offi-  
10 cial contract and are controlling in the event  
11 that there is any difference between the infor-  
12 mation on the disclosure sheet and the informa-  
13 tion in the policy;

14           “(H) a statement that, if the policyholder  
15 has any questions regarding information in the  
16 disclosure sheet or policy, the policyholder  
17 should contact the entity selling the policy on  
18 behalf of the Program, together with contact in-  
19 formation sufficient to allow the policyholder to  
20 contact such entity; and

21           “(I) any other information that the Admin-  
22 istrator determines will be helpful to policy-  
23 holder in understanding flood insurance cov-  
24 erage.

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

5           “(A) acknowledge that the policyholder re-  
6 ceived the disclosure sheet required under para-  
7 graph (1);

8           “(B) accept or decline coverage for per-  
9 sonal property;

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

12          “(D) acknowledge the policyholder’s under-  
13 standing that the standard flood insurance poli-  
14 cy, together with the endorsements and dec-  
15 larations page, make up the official contract  
16 and are controlling in the event that there is  
17 any difference between the information on the  
18 acknowledgment sheet and the information in  
19 the policy; and

20          “(E) acknowledge that the policyholder has  
21 been provided and has reviewed a summary,  
22 which may be the policy declarations page, of  
23 the total cost, amount and extent of insurance  
24 coverage provided under the policy.

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

9       (b) **REPEALS.**—Sections 202 and 203 of the Bun-  
10 ning-Bereuter-Blumenauer Flood Insurance Reform Act  
11 of 2004 (42 U.S.C. 4011 note) is hereby repealed.

12 **SEC. 10. RESERVE FUND AMOUNTS.**

13       Section 1310 of the National Flood Insurance Act of  
14 1968 (42 U.S.C. 4017) is amended by adding at the end  
15 the following new subsection:

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

20 **SEC. 11. SUFFICIENT STAFFING FOR OFFICE OF FLOOD IN-**  
21 **SURANCE ADVOCATE.**

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

1       “(c) STAFF.—The Administrator shall ensure that  
2 the Flood Insurance Advocate has sufficient staff to carry  
3 out all of the duties and responsibilities of the Advocate  
4 under this section.”.

5       (b) TIMING.—The Administrator of the Federal  
6 Emergency Management Agency shall take such actions  
7 as may be necessary to provide for full compliance with  
8 section 24(c) of the Homeowner Flood Insurance Afford-  
9 ability Act of 2014, as added by the amendment made by  
10 subsection (a) of this section, not later than the expiration  
11 of the 180-day period beginning on the date of the enact-  
12 ment of this Act.

13 **SEC. 12. FEDERAL FLOOD INSURANCE ADVISORY COM-**  
14 **MITTEE.**

15       Section 1318 of the National Flood Insurance Act of  
16 1968 (42 U.S.C. 4025) is amended to read as follows:

17 **“SEC. 1318. FEDERAL FLOOD INSURANCE ADVISORY COM-**  
18 **MITTEE.**

19       “(a) ESTABLISHMENT.—There is established an advi-  
20 sory committee to be known as the Federal Flood Insur-  
21 ance Advisory Committee (in this section referred to as  
22 the ‘Committee’).

23       “(b) MEMBERSHIP.—

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

1           “(A) the Administrator of the Federal  
2           Emergency Management Agency (in this section  
3           referred to as the ‘Administrator’), or the des-  
4           ignee thereof; and

5           “(B) additional members appointed by the  
6           Administrator or the designee of the Adminis-  
7           trator, who shall include—

8                   “(i) three representatives of Write  
9                   Your Own companies;

10                   “(ii) one individual who served in the  
11                   past, or is currently serving, as an insur-  
12                   ance regulator of a State, the District of  
13                   Columbia, the Commonwealth of Puerto  
14                   Rico, Guam, the Commonwealth of the  
15                   Northern Mariana Islands, the Virgin Is-  
16                   lands, American Samoa, or any federally-  
17                   recognized Indian tribe;

18                   “(iii) one representative of the finan-  
19                   cial or insurance sectors who is involved in  
20                   risk transfers, including reinsurance, resil-  
21                   ience bonds, and other insurance-linked se-  
22                   curities;

23                   “(iv) one actuary with demonstrated  
24                   high-level knowledge of catastrophic risk  
25                   insurance;

1           “(v) two insurance agents or brokers  
2           with demonstrated experience with the sale  
3           of flood insurance under the National  
4           Flood Insurance Program, one of whom  
5           shall have demonstrated expertise in the  
6           challenges in insuring low-income commu-  
7           nities;

8           “(vi) one insurance claims specialist;

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

11          “(viii) one representative from an aca-  
12          demic institution who has demonstrated  
13          expertise in insurance.

14          “(2) QUALIFICATIONS.—In appointing members  
15          under paragraph (1)(C), the Administrator shall, to  
16          the maximum extent practicable, ensure the mem-  
17          bership of the Committee has a balance of members  
18          reflecting geographic diversity, including representa-  
19          tion from areas inland or with coastline identified by  
20          the Administrator as at high risk for flooding or as  
21          areas having special flood hazards.

22          “(c) DUTIES.—The Administrator shall submit, and  
23          the Committee shall review and make recommendations  
24          on, matters related to the insurance aspects of the Na-  
25          tional Flood Insurance Program, including ratemaking,

1 technology to administer insurance, risk assessment, actu-  
2 arial practices, claims practices, sales and insurance deliv-  
3 ery, compensation and allowances, the public-private part-  
4 nership under the Write Your Own arrangement, general  
5 best insurance practices, and any significant changes pro-  
6 posed to be made regarding the operation of the National  
7 Flood Insurance Program.

8 “(d) CHAIRPERSON.—The members of the Com-  
9 mittee shall elect one member to serve as the chairperson  
10 of the Committee (in this section referred to as the ‘Chair-  
11 person’).

12 “(e) COMPENSATION.—Members of the Committee  
13 shall receive no additional compensation by reason of their  
14 service on the Committee. Members may be reimbursed  
15 by the Federal Government for travel expenses, including  
16 per diem in lieu of subsistence, at rates consistent with  
17 rates authorized for employees of Federal agencies under  
18 subchapter 1 of chapter 57 of title 5, United States Code,  
19 while away from home or regular places of business in per-  
20 formance of service for the Committee.

21 “(f) MEETINGS AND ACTIONS.—

22 “(1) IN GENERAL.—The Committee shall meet  
23 not less frequently than twice each year at the re-  
24 quest of the Chairperson or a majority of its mem-  
25 bers, and may take action by a vote of the majority

1 of the members in accordance with the Committee’s  
2 charter.

3 “(2) INITIAL MEETING.—The Administrator, or  
4 a person designated by the Administrator, shall re-  
5 quest and coordinate the initial meeting of the Com-  
6 mittee.

7 “(g) TRANSPARENCY; FACA.—To the greatest ex-  
8 tent possible, the Committee shall operate in a transparent  
9 manner that adheres to the requirements of the Federal  
10 Advisory Committee Act, with the exception that the Com-  
11 mittee shall be permitted to freely communicate both dur-  
12 ing and between meetings under paragraph (f) in a con-  
13 fidential manner to discuss non-public information regard-  
14 ing the operations of the National Flood Insurance Pro-  
15 gram and other sensitive and non-public issues. If such  
16 communication occurs, the Committee shall, to the great-  
17 est extent possible, report a summary of such discussions  
18 in an appropriate public manner.

19 “(h) STAFF OF FEMA.—Upon the request of the  
20 Chairperson, the Administrator may detail, on a nonreim-  
21 bursable basis, personnel of the Federal Emergency Man-  
22 agement Agency to assist the Committee in carrying out  
23 its duties.

24 “(i) POWERS.—In carrying out this section, the Com-  
25 mittee may hold hearings, receive evidence and assistance,



1 provide information, and conduct research, as it considers  
2 appropriate.

3 “(j) REPORTS TO CONGRESS.—The Administrator,  
4 on an annual basis, shall report to the Committee on Fi-  
5 nancial Services of the House of Representatives, the  
6 Committee on Banking, Housing, and Urban Affairs of  
7 the Senate, and the Office of Management and Budget  
8 on—

9 “(1) the recommendations made by the Com-  
10 mittee;

11 “(2) actions taken by the Federal Emergency  
12 Management Agency to address such recommenda-  
13 tions to improve the insurance aspects of the na-  
14 tional flood insurance program; and

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

18 “(k) RULE OF CONSTRUCTION.—This section shall  
19 not be construed to eliminate or alter any requirement on  
20 the Administrator associated with the notification or con-  
21 sultation of specified individuals or groups of individuals  
22 as required elsewhere by statute.”.

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

24 The Federal entities for lending regulation (as such  
25 term is defined in section 3(a) of the Flood Disaster Pro-

1 tection Act of 1973 (42 U.S.C. 4003(a))), in consultation  
2 with the Administrator of the Federal Emergency Man-  
3 agement Agency, shall update and reissue the document  
4 entitled “Interagency Questions and Answers Regarding  
5 Flood Insurance” not later than the expiration of the 12-  
6 month period beginning on the date of the enactment of  
7 this Act and not less frequently than biennially thereafter.

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

9 The Comptroller General of the United States shall  
10 conduct a study of the policies and practices for adjust-  
11 ment of claims for losses under flood insurance coverage  
12 made available under the National Flood Insurance Act,  
13 which shall include—

14 (1) a comparison of such policies and practices  
15 with the policies and practices for adjustment of  
16 claims for losses under other insurance coverage;

17 (2) an assessment of the quality of the adjust-  
18 ments conducted and the effects of such policies and  
19 practices on such quality;

20 (3) identification of any incentives under such  
21 policies and practices that affect the speed with  
22 which such adjustments are conducted; and

23 (4) identification of the affects of such policies  
24 and practices on insureds submitting such claims for  
25 losses.

1 Not later than the expiration of the 18-month period be-  
2 ginning on the date of the enactment of this Act, the  
3 Comptroller General shall submit a report to the Com-  
4 mittee on Financial Services of the House of Representa-  
5 tives and the Committee on Banking, Housing, and Urban  
6 Affairs of the Senate regarding the findings and conclu-  
7 sions of the study conducted pursuant to this section.

8 **SEC. 15. GAO STUDY OF FLOOD INSURANCE COVERAGE**  
9 **TREATMENT OF EARTH MOVEMENT.**

10 The Comptroller General of the United States shall  
11 conduct a study of the treatment, under flood insurance  
12 coverage made available under the National Flood Insur-  
13 ance Act, of earth movement and subsidence, including  
14 earth movement and subsidence caused by flooding, which  
15 shall include—

16 (1) identification and analysis of the effects of  
17 such treatment on the National Flood Insurance  
18 Program and insureds under the program;

19 (2) an assessment of the availability and afford-  
20 ability of coverage in the private insurance market  
21 for earth movement and subsidence caused by flood-  
22 ing;

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

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

6 Not later than the expiration of the 18-month period be-  
7 ginning on the date of the enactment of this Act, the  
8 Comptroller General shall submit a report to the Com-  
9 mittee on Financial Services of the House of Representa-  
10 tives and the Committee on Banking, Housing, and Urban  
11 Affairs of the Senate regarding the findings and conclu-  
12 sions of the study conducted pursuant to this section.

13 **SEC. 16. DEFINITIONS.**

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

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

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

21           (3) by adding at the end the following new  
22           paragraphs:

23           “(16) the term ‘Write Your Own Program’  
24           means the program under which the Federal Emer-  
25           gency Management Agency enters into a standard

1 arrangement with private property insurance compa-  
2 nies to sell contracts for flood insurance coverage  
3 under this title under their own business lines of in-  
4 surance, and to adjust and pay claims arising under  
5 such contracts; and

6 “(17) the term ‘Write Your Own company’  
7 means a private property insurance company that  
8 participates in the Write Your Own Program.”.

9 (b) BIGGERT-WATERS FLOOD INSURANCE REFORM  
10 ACT OF 2012.—Subsection (a) of section 100202 of the  
11 Biggert-Waters Flood Insurance Reform Act of 2012 (42  
12 U.S.C. 4004(a)) is amended by striking paragraph (5) and  
13 inserting the following new paragraph:

14 “(5) WRITE YOUR OWN.—The terms ‘Write  
15 Your Own Program’ and ‘Write Your Own company’  
16 have the meanings given such terms in section  
17 1370(a) of the National Flood Insurance Act of  
18 1968 (42 U.S.C. 4121(a)).”.

