

AMENDMENT TO H.R. 2874
OFFERED BY M

Page 13, strike lines 13 through 15 and insert the following:

1 (iii) the differences in flood risk for
2 properties impacted by coastal flood risk
3 and properties impacted by riverine, or in-
4 land flood risk; and

Page 13, strike lines 20 and all that follows through the closing quotation marks in line 22 and insert “in flood risk resulting from coastal flood hazards and riverine, or inland flood hazards and”.

Page 17, after line 16, insert the following new sections:

5 SEC. 108. DISCLOSURE OF FLOOD RISK INFORMATION
6 UPON TRANSFER OF PROPERTY.

7 (a) IN GENERAL.—Chapter 1 of the National Flood
8 Insurance Act of 1968 (42 U.S.C. 4011 et seq.) is amend-
9 ed by adding at the end the following new section:

1 **“SEC. 1326. DISCLOSURE OF FLOOD RISK INFORMATION**
2 **UPON TRANSFER OF PROPERTY.**

3 “(a) REQUIREMENT FOR PARTICIPATION IN PRO-
4 GRAM.—After September 30, 2022, no new flood insur-
5 ance coverage may be provided under this title for any
6 real property located in any area (or subdivision thereof)
7 unless an appropriate body has imposed, by statute or reg-
8 ulation, a duty on any seller or lessor of improved real
9 estate located in such area to provide to any purchaser
10 or lessee of such property a property flood hazard disclo-
11 sure which the Administrator has determined meets the
12 requirements of subsection (b).

13 “(b) DISCLOSURE REQUIREMENTS.—A property
14 flood hazard disclosure for a property shall meet the re-
15 quirements of this subsection only if the disclosure—

16 “(1) is made in writing;

17 “(2) discloses any actual knowledge of the seller
18 or lessor of—

19 “(A) prior physical damage caused by flood
20 to any building located on the property;

21 “(B) prior insurance claims for losses cov-
22 ered under the National Flood Insurance Pro-
23 gram or private flood insurance with respect to
24 such property;

1 “(C) any previous notification regarding
2 the designation of the property as a repetitive
3 loss or severe repetitive loss property; and

4 “(D) any Federal legal obligation to obtain
5 and maintain flood insurance running with the
6 property, such as any obligation due to a pre-
7 vious form of disaster assistance under the
8 Robert T. Stafford Disaster Relief and Emer-
9 gency Assistance Act received by any owner of
10 the property; and

11 “(3) is delivered by or on behalf of the seller or
12 lessor to the purchaser or lessee before such pur-
13 chaser or lessee becomes obligated under any con-
14 tract for purchase or lease of the property.”.

15 (b) AVAILABILITY OF FLOOD INSURANCE COV-
16 ERAGE.—Subsection (c) of section 1305 of the National
17 Flood Insurance Act of 1968 (42 U.S.C. 4012(e)) is
18 amended—

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

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

23 (3) by adding at the end the following new
24 paragraph:

1 “(3) given satisfactory assurance that by Sep-
2 tember 31, 2022, property flood hazard disclosure
3 requirements will have been adopted for the area
4 that meet the requirements of section 1326.”.

5 **SEC. 109. EXTENSION OF NATIONAL FLOOD INSURANCE**
6 **PROGRAM.**

7 (a) FINANCING.—Section 1309(a) of the National
8 Flood Insurance Act of 1968 (42 U.S.C. 4016(a)) is
9 amended by striking “September 30, 2017” and inserting
10 “September 30, 2022”.

11 (b) PROGRAM EXPIRATION.—Section 1319 of the Na-
12 tional Flood Insurance Act of 1968 (42 U.S.C. 4026) is
13 amended by striking “September 30, 2017” and inserting
14 “September 30, 2022”.

Page 25, after line 13, insert the following new sec-
tion (and redesignate the succeeding sections and any
references to such sections, accordingly):

15 **SEC. 204. PROVISION OF PRIVATE FLOOD INSURANCE BY**
16 **MUTUAL AID SOCIETIES.**

17 Paragraph (7) of section 102(b) of the Flood Dis-
18 aster Protection Act of 1973 (42 U.S.C. 4012a(c)) is
19 amended to read as follows:

20 “(7) DEFINITIONS.—In this section:

21 “(A) FEDERAL FLOOD INSURANCE.—The
22 term ‘Federal flood insurance’ means an insur-

1 ance policy made available under the National
2 Flood Insurance Act of 1968 (42 U.S.C. 4001
3 et seq.).

4 “(B) FLOOD INSURANCE.—The term ‘flood
5 insurance’ means—

6 “(i) Federal flood insurance; and

7 “(ii) private flood insurance.

8 “(C) MUTUAL AID SOCIETY.—The term
9 ‘mutual aid society’ means an organization—

10 “(i) the members of which—

11 “(I) share a common set of eth-
12 ical or religious beliefs; and

13 “(II) in accordance with the be-
14 liefs described in subclause (I), agree
15 to cover expenses arising from damage
16 to property of the members of the or-
17 ganization, including damage caused
18 by flooding; and

19 “(ii) that has a demonstrated history
20 of fulfilling the terms of agreements to
21 cover expenses arising from damage to
22 property of the members of the organiza-
23 tion caused by flooding.

24 “(D) PRIVATE FLOOD INSURANCE.—The
25 term ‘private flood insurance’ means—

1 “(i) an insurance policy that—
2 “(I) is issued by an insurance
3 company that is—
4 “(aa) licensed, admitted, or
5 otherwise approved to engage in
6 the business of insurance in the
7 State in which the insured build-
8 ing is located, by the insurance
9 regulator of that State; or
10 “(bb) eligible as a non-
11 admitted insurer to provide in-
12 surance in the home State of the
13 insured, in accordance with sec-
14 tions 521 through 527 of the
15 Nonadmitted and Reinsurance
16 Reform Act of 2010 (15 U.S.C.
17 8201 through 8206);
18 “(II) is issued by an insurance
19 company that is not otherwise dis-
20 approved as a surplus lines insurer by
21 the insurance regulator of the State in
22 which the property to be insured is lo-
23 cated; and

1 “(III) provides flood insurance
2 coverage that complies with the laws
3 and regulations of that State; or

4 “(ii) an agreement with a mutual aid
5 society for such society to cover expenses
6 arising from damage to property of the
7 members of such society caused by flood-
8 ing, unless the State in which the property
9 to be insured is located has—

10 “(I) determined that the specific
11 mutual aid society may not provide
12 such coverage or provide such cov-
13 erage in such manner; or

14 “(II) specifically provided
15 through law or regulation that mutual
16 aid societies may not provide such
17 coverage or provide such coverage in
18 such manner.

19 “(E) STATE.—The term ‘State’ means any
20 State of the United States, the District of Co-
21 lumbia, the Commonwealth of Puerto Rico,
22 Guam, the Northern Mariana Islands, the Vir-
23 gin Islands, and American Samoa.”.

Page 39, after line 2, insert the following new sec-
tion:

1 **SEC. 305. SHARING AND USE OF MAPS AND DATA.**

2 Subsection (b) of section 100216 of the Biggert-
3 Waters Flood Insurance Reform Act of 2012 (42 U.S.C.
4 4101b(b)) is amended—

5 (1) in paragraph (1)—

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

8 (B) in subparagraph (C), by striking the
9 period at the end and inserting “; and” ; and

10 (C) by adding at the end the following new
11 subparagraph:

12 “(D) consult and coordinate with the De-
13 partment of Defense, the United States Geo-
14 logical Survey, and the National Oceanic and
15 Atmospheric Administration for the purpose of
16 obtaining the most-up-to-date maps and other
17 information of such agencies, including infor-
18 mation on topography, water flow, and any
19 other issues, relevant to mapping for flood in-
20 surance purposes.”; and

21 (2) in paragraph (3)—

22 (A) in subparagraph (D), by striking
23 “and” at the end;

24 (B) by redesignating paragraph (E) as
25 subparagraph (F); and

1 (C) by inserting after subparagraph (D)
2 the following new subparagraph:

3 “(E) any other information relevant to
4 mapping for flood insurance purposes obtained
5 pursuant to paragraph (1)(D); and”.

Page 51, line 18, after “made available” insert
“under”.

Page 60, strike lines 7 through 14 and insert the
following:

6 “(i) FUNDING.—

7 “(1) AUTHORIZATION OF APPROPRIATIONS.—

8 Notwithstanding any other provision of law, assist-
9 ance provided under this section shall be funded
10 by—

11 “(A) \$225,000,000 in each fiscal year,
12 subject to offsetting collections, through risk
13 premium rates for flood insurance coverage
14 under this title, and shall be available subject to
15 section 1310(f);

16 “(B) any penalties collected under section
17 102(f) the Flood Disaster Protect Act of 1973
18 (42 U.S.C. 4012a(f); and

19 “(C) any amounts recaptured under sub-
20 section (e) of this section.

1 The Administrator may not use more than 5 percent
2 of amounts made available under this subsection to
3 cover salaries, expenses, and other administrative
4 costs incurred by the Administrator to make grants
5 and provide assistance under this section.

6 “(2) AVAILABILITY.—Amounts appropriated
7 pursuant to this subsection for any fiscal year may
8 remain available for obligation until expended.”.

9 (k) REPEAL.—Section 1367 of the National Flood
10 Insurance Act of 1968 (42 U.S.C. 4104d) is repealed.

Page 61, line 7, before “The” insert “(a) IN GENERAL.—”.

Page 62, line 11, strike “of \$1,000,000 or more”
and “that is equal to or exceeds the amount that is equal
to \$1,000,000 multiplied by the number of dwelling units
in the structure”.

Strike line 6 on page 64 and all that follows through
“authority.” on page 68, line 16, and insert the fol-
lowing:

11 “(g) AVAILABILITY OF OTHERWISE PROHIBITED
12 FLOOD INSURANCE COVERAGE WHERE PRIVATE MARKET
13 COVERAGE IS UNAVAILABLE.—

14 “(1) IN GENERAL.—The Administrator may
15 make available flood insurance coverage under this

1 Act for a property described in subparagraph (A) or
2 (B) of subsection (f)(1), notwithstanding subsection
3 (f) of this section, if, within the 30-day period begin-
4 ning upon submission to the Clearinghouse estab-
5 lished pursuant to section 1350 of an application for
6 flood insurance coverage for such property, the
7 Clearinghouse does not provide the applicant with
8 one or more bona fide offers for private flood insur-
9 ance coverage for such property.

10 “(2) SURCHARGE.—Any flood insurance cov-
11 erage made available for a property pursuant to this
12 subsection shall be made available at chargeable pre-
13 mium rates otherwise determined under this title for
14 such property, except that the Administrator shall
15 impose and collect a surcharge for such coverage in
16 an amount equal to 10 percent of such chargeable
17 premium rate, which shall be deposited into the Na-
18 tional Flood Insurance Fund established under sec-
19 tion 1310.”.

Page 68, after line 20, insert the following new sub-
sections:

20 (b) STUDY OF FLOOD INSURANCE CLEARING-
21 HOUSE.—

22 (1) IN GENERAL.—The Administrator of the
23 Federal Emergency Management Agency (in this

1 subsection referred to as the “Administrator”) shall
2 conduct a study—

3 (A) to analyze the feasibility and effective-
4 ness, and problems involved, in establishing,
5 maintaining, and operating a Flood Insurance
6 Clearinghouse in accordance with section 1350
7 of the National Flood Insurance Act of 1968
8 (as added by the amendment made by sub-
9 section (c) of this section); and

10 (B) to develop a plan and guidelines for es-
11 tablishment, design, and operation of such a
12 Clearinghouse

13 (2) REPORT.—Not later than the expiration of
14 the two-year period beginning on the date of the en-
15 actment of this Act, the Administrator shall submit
16 a report to the Committee on Financial Services of
17 the House of Representatives and the Committee on
18 Banking, Housing, and Urban Affairs of the Senate
19 that sets forth the analysis, conclusions, and rec-
20 ommendations resulting from the study under this
21 section. Such report shall include a plan for estab-
22 lishment, design, and operation of the Flood Insur-
23 ance Clearinghouse, and guidelines for such Clear-
24 ingshouse, sufficient to provide for commencement of

1 operations of the Clearinghouse under section 1350
2 of the National Flood Insurance Act of 1968.

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

8 **“SEC. 1350. FLOOD INSURANCE CLEARINGHOUSE.**

9 “(a) ESTABLISHMENT AND OPERATIONS.—Not later
10 than January 1, 2021, the Administrator shall establish
11 and commence operations of a Flood Insurance Clearing-
12 house (in this section referred to as the ‘Clearinghouse’)
13 in accordance with the report, plan, and guidelines re-
14 quired under section 506(b)(2) of the 21st Century Flood
15 Reform Act.

16 “(b) PURPOSE.—The Clearinghouse shall be estab-
17 lished for the purpose of receiving applications from pro-
18 spective insureds for flood insurance coverage for prop-
19 erties for which such coverage is prohibited under section
20 1305(f) of the National Flood Insurance Act of 1968 (42
21 U.S.C. 4012(f)) and for providing to such applicants of-
22 fers for such coverage from insurers providing private
23 flood insurance (as such term is defined for purposes of
24 section 102(c) of the Flood Disaster Protection Act of
25 1973 (42 U.S.C. 4012a(c)) and, subject to the limitations

1 in this section, for coverage made available under the Na-
2 tional Flood Insurance Program.

3 “(c) FUNCTIONS.—The Clearinghouse shall have as
4 its functions—

5 “(1) to provide for prospective insureds to sub-
6 mit to the Clearinghouse applications for flood insur-
7 ance coverage for properties described in subsection
8 (b);

9 “(2) to determine, with respect to a property
10 identified in an application, the chargeable premium
11 rate for coverage made available under this title;

12 “(3) with respect to a property identified in an
13 application, to solicit offers of coverage under pri-
14 vate flood insurance from providers of such insur-
15 ance during a reasonable period of time after such
16 application, which offers shall provide terms and
17 conditions of insurance, including deductibles and
18 exclusions, that are sufficient to meet the require-
19 ments of section 102 of the Flood Disaster Protec-
20 tion Act of 1973 (42 U.S.C. 4012a); and

21 “(4) to provide to the applicant for insurance—

22 “(A) any bona fide offers for private insur-
23 ance coverage made pursuant to paragraph (3)
24 for the property identified in the application;

1 “(B) in the case only of a property for
2 which such coverage is authorized pursuant to
3 subsection (g) of section 1305, a bona fide offer
4 for flood insurance coverage made available
5 under this title for the property; and

6 “(C) information to help the applicant for
7 insurance understand such offers and the limi-
8 tation under section 1305(g);

9 “(d) MANAGEMENT AND OPERATION.—The Clearing-
10 house shall be managed and operated by a third party pur-
11 suant to a contract with the Administrator.

12 “(e) AGREEMENTS.—The Administrator may enter
13 into such agreements with insurers providing private flood
14 insurance coverage as may be necessary for the Clearing-
15 house to carry out its functions.

16 “(f) FEES.—The Clearinghouse may charge a fee to
17 applicants to cover administrative costs of the Clearing-
18 house.

19 “(g) REPORTS.—The Clearinghouse shall report peri-
20 odically, as determined by the Administrator, to the Ad-
21 ministrato~~r~~ regarding the operations and activities of the
22 Clearinghouse.”.

Strike line 21 on page 68 and all that follows
through page 69, line 7, and insert the following:

1 **SEC. 507. PAY FOR PERFORMANCE AND STREAMLINING**
2 **COSTS AND REIMBURSEMENT.**

3 Section 1345 of the National Flood Insurance Act of
4 1968 (42 U.S.C. 4081) is amended by adding at the end
5 the following subsection:

6 “(f) **WRITE YOUR OWN ALLOWANCE AND PROGRAM**
7 **SAVINGS.—**

8 “(1) **ALLOWANCE RATE.—**

9 “(A) **LIMITATION.—**The allowance paid to
10 companies participating in the Write Your Own
11 Program (as such term is defined in section
12 1370 (42 U.S.C. 4004)) with respect to a policy
13 for flood insurance coverage made available
14 under this title shall not be greater than 27.9
15 percent of the chargeable premium for such
16 coverage.

17 “(B) **INAPPLICABILITY.—**Subparagraph
18 (A) shall not apply to actual and necessary
19 costs related to section 1312(a) (42 U.S.C,
20 4019(a)), or to payments deemed necessary by
21 the Administrator.

22 “(C) **IMPLEMENTATION.—**The limitation in
23 subparagraph (A) shall be imposed by equal re-
24 ductions over the 3-year period beginning on
25 the date of the enactment of this subsection.

26 “(2) **PROGRAM SAVINGS.—**

1 “(A) IMPLEMENTATION.—The Adminis-
2 trator, within three years of the date of the en-
3 actment of this Act, shall reduce the costs and
4 unnecessary burdens for the companies partici-
5 pating in the Write Your Own program by at
6 least half of the amount by which the limitation
7 under paragraph (1)(A) reduced costs compared
8 to the costs as of the date of the enactment of
9 this subsection.

10 “(B) CONSIDERATION OF SAVINGS.—In
11 meeting the requirement of subparagraph (A),
12 the Administrator shall consider savings includ-
13 ing—

14 “(i) indirect payments by the Admin-
15 istrator of premium;

16 “(ii) eliminating unnecessary commu-
17 nications requirements;

18 “(iii) reducing the frequency of Na-
19 tional Flood Insurance Program changes;

20 “(iv) simplifying the flood rating sys-
21 tem; and

22 “(v) other ways of streamlining the
23 Program to reduce costs while maintaining
24 customer service and distribution.”.

Page 73, lines 14 and 15, strike “**REQUIRING FLOOD COVERAGE IN**” and inserting “**ALLOWING**”.

Strike line 12 on page 73 and all that follows through page 74, line 2, and insert the following:

1 (i) SATISFACTION OF MANDATORY PURCHASE RE-
2 QUIREMENT IN STATES ALLOWING ALL-PERILS POLI-
3 CIES.—

4 (1) WAIVERS.—Section 102 shall not apply
5 with respect to residential properties in any State
6 that allows any property insurance coverage that
7 covers “all-perils” except specifically excluded perils
8 that includes coverage for flood perils in an amount
9 at least equal to the outstanding principal balance of
10 the loan or the maximum limit of flood insurance
11 coverage made available under this title with respect
12 to such type of residential property, whichever is
13 less.

Page 75, after line 4, insert the following new section:

14 **SEC. 511. GAO STUDY OF SIMPLIFICATION OF NATIONAL**
15 **FLOOD INSURANCE PROGRAM.**

16 (a) STUDY.—The Comptroller General of the United
17 States shall conduct a study of options for simplifying
18 flood insurance coverage made available under the Na-

1 tional Flood Insurance Act, which shall include the fol-
2 lowing:

3 (1) An analysis of how the administration of
4 the National Flood Insurance Program can be sim-
5 plified—statutorily, regulatorily, and administra-
6 tively—for private flood insurance policyholders,
7 companies, agents, mortgage lenders, and flood in-
8 surance vendors.

9 (2) An assessment of ways in which flood insur-
10 ance coverage made available under the National
11 Flood Insurance Act and the program for providing
12 and administrating such coverage may be har-
13 monized with private insurance industry standards.

14 (3) Identification and analysis of ways in which
15 the structure of the National Flood Insurance Pro-
16 gram may be simplified, including analysis of the ef-
17 ficacy and effects each of the following actions:

18 (A) Eliminating the use of two deductibles
19 under the Program.

20 (B) Including in claims for flood-damages
21 full replacement cost for property not damaged,
22 but rendered unusable, by the flooding.

23 (C) Using umbrella policies that allow mul-
24 tiple structures on a property to be insured
25 under the same policy.

1 (b) REPORT.—Not later than the expiration of the
2 18-month period beginning on the date of the enactment
3 of this Act, the Comptroller General shall submit a report
4 to the Committee on Financial Services of the House of
5 Representatives and the Committee on Banking, Housing,
6 and Urban Affairs of the Senate regarding the findings
7 and conclusions of the study conducted pursuant to this
8 section.

