

**AMENDMENT TO H.R. 1309**  
**OFFERED BY MR. HENSARLING OF TEXAS**

Strike line 3 on page 14 and all that follows through  
page 20, line 18, and insert the following:

1       (a) ELIMINATION OF SUBSIDIZED RATES.—

2               (1) IN GENERAL.—Section 1308 of National  
3 Flood Insurance Act of 1968 (42 U.S.C. 4015) is  
4 amended by striking subsection (c) and inserting the  
5 following new subsection:

6       “(c) REQUIREMENT FOR ACTUARIAL RATES.—

7               “(1) REQUIREMENT.—Subject only to para-  
8 graphs (2) and (3) of this subsection, for any flood  
9 insurance coverage for any property made available  
10 after the date of the enactment of the Flood Insur-  
11 ance Reform Act of 2011, the chargeable premium  
12 rate shall not be less than the applicable estimated  
13 premium rate for such coverage for such area (or  
14 subdivision thereof) under section 1307(a)(1).

15               “(2) 5-YEAR PHASE-IN FOR PROPERTIES WITH  
16 EXISTING FLOOD INSURANCE POLICIES.—Except as  
17 provided in paragraph (3), in the case of any prop-  
18 erty that, as of the date of the enactment of the  
19 Flood Insurance Reform Act of 2011, is covered

1 under a policy for flood insurance made available  
2 under this title for which the chargeable premium  
3 rate is less than the applicable estimated risk pre-  
4 mium rate under section 1307(a)(1) for the area in  
5 which the property is located, the Administrator  
6 shall increase the chargeable premium rate for such  
7 property upon the expiration of the 12-month period  
8 beginning upon such date of enactment and upon  
9 the expiration of each of the 4 successive 12-month  
10 periods thereafter, in increments of a substantially  
11 equivalent amount as determined by the Adminis-  
12 trator, so that upon the fifth such increase the  
13 chargeable rate for such coverage complies with  
14 paragraph (1), and paragraph (1) shall apply to  
15 such property thereafter.

16 “(3) 2-YEAR PHASE-IN FOR CERTAIN EXCEP-  
17 TION PROPERTIES.—

18 “(A) IN GENERAL.—In the case of any  
19 property described in subparagraph (B) that, as  
20 of the date of the enactment of the Flood In-  
21 surance Reform Act of 2011, is covered under  
22 a policy for flood insurance made available  
23 under this title for which the chargeable pre-  
24 mium rate is less than the applicable estimated  
25 risk premium rate under section 1307(a)(1) for

1 the area in which the property is located, the  
2 Administrator of the Federal Emergency Man-  
3 agement Agency shall increase the chargeable  
4 premium rate for such coverage for such prop-  
5 erty upon the expiration of the 12-month period  
6 beginning upon such date of enactment and 12  
7 months thereafter, in increments of a substan-  
8 tially equivalent amount as determined by the  
9 Administrator, so that upon the second such in-  
10 crease the chargeable rate for such coverage  
11 complies with paragraph (1), and paragraph (1)  
12 shall apply to such properties thereafter.

13 “(B) EXCEPTIONS.—A property described  
14 in this subparagraph is any of the following  
15 properties:

16 “(i) COMMERCIAL PROPERTIES.—Any  
17 nonresidential property.

18 “(ii) SECOND HOMES AND VACATION  
19 HOMES.—Any residential property that is  
20 not the primary residence of any indi-  
21 vidual.

22 “(iii) HOMES SOLD TO NEW OWN-  
23 ERS.—Any single family property that—

24 “(I) has been constructed or sub-  
25 stantially improved and for which

1 such construction or improvement was  
2 started, as determined by the Admin-  
3 istrator, before December 31, 1974,  
4 or before the effective date of the ini-  
5 tial rate map published by the Admin-  
6 istrator under paragraph (2) of sec-  
7 tion 1360(a) for the area in which  
8 such property is located, whichever is  
9 later; and

10 “(II) is purchased after the date  
11 of the enactment of the Flood Insur-  
12 ance Reform Act of 2011.

13 “(iv) HOMES DAMAGED OR IM-  
14 PROVED.—Any property that, on or after  
15 the date of the enactment of the Flood In-  
16 surance Reform Act of 2011, has experi-  
17 enced or sustained—

18 “(I) substantial damage exceed-  
19 ing 50 percent of the fair market  
20 value of such property; or

21 “(II) substantial improvement ex-  
22 ceeding 30 percent of the fair market  
23 value of such property.

24 “(v) HOMES WITH MULTIPLE  
25 CLAIMS.—Any severe repetitive loss prop-

1                   erty (as such term is defined in section  
2                   1361A(b)).”.

3                   (2) EXCEPTION TO ANNUAL LIMITATION ON  
4                   PREMIUM INCREASES.—Section 1308(e) of the Na-  
5                   tional Flood Insurance Act of 1968 (42 U.S.C.  
6                   4015(e)) is amended by striking “Except with re-  
7                   spect to properties described under paragraph (2) or  
8                   (3) of subsection (c),” and inserting “Except with  
9                   respect to increases in chargeable risk premium  
10                  rates pursuant to paragraph (2) or (3) of subsection  
11                  (c)”.

Page 21, line 6, before the comma insert “, includ-  
ing the phase-in of chargeable premium rates provided  
for in paragraphs (2) and (3) of subsection (e)”.

