

112TH CONGRESS
1ST SESSION

H. R. 1026

To extend the authorization for the national flood insurance program, to identify priorities essential to reform and ongoing stable functioning of the program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 10, 2011

Ms. WATERS (for herself, Mr. FRANK of Massachusetts, Mr. GUTIERREZ, Mr. AL GREEN of Texas, Mr. COSTELLO, Ms. MATSUI, and Mr. CARDOZA) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To extend the authorization for the national flood insurance program, to identify priorities essential to reform and ongoing stable functioning of the program, 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 AND TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Flood Insurance Reform Priorities Act of 2011”.

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

- Sec. 1. Short title and table of contents.
- Sec. 2. Findings and purposes.
- Sec. 3. Extension of national flood insurance program.
- Sec. 4. Maximum coverage limits.
- Sec. 5. Phase-in of actuarial rates for nonresidential properties, non-primary residences, severe repetitive loss properties, and properties substantially damaged or improved.
- Sec. 6. 5-year delay in effective date of mandatory purchase requirement for new flood hazard areas.
- Sec. 7. 5-year phase-in of flood insurance rates for newly mapped areas.
- Sec. 8. Increase in annual limitation on premium increases.
- Sec. 9. Consideration of construction, reconstruction, and improvement of flood protection systems in determination of flood insurance rates.
- Sec. 10. Discounted flood insurance rates for properties protected by a flood-protection system from less than a 100-year frequency flood.
- Sec. 11. Treatment of certain flood protection projects.
- Sec. 12. Prohibition of extension of subsidized rates to lapsed policies.
- Sec. 13. Notification to homeowners regarding mandatory purchase requirement applicability and rate phase-ins.
- Sec. 14. Community outreach plan for updating floodplain areas and flood-risk zones.
- Sec. 15. Notification of establishment of flood elevations.
- Sec. 16. Coverage for additional living expenses and business interruption.
- Sec. 17. Exception to waiting period for effective date of policies.
- Sec. 18. Minimum deductibles for claims.
- Sec. 19. Payment of premiums in installments for residential properties.
- Sec. 20. Termination of force-placed insurance.
- Sec. 21. Enforcement.
- Sec. 22. Notification to tenants of availability of contents insurance.
- Sec. 23. Grants for direct funding of mitigation activities for individual repetitive claims properties.
- Sec. 24. Flood insurance outreach.
- Sec. 25. Treatment of swimming pool enclosures outside of hurricane season.
- Sec. 26. Requirements relating to windstorm and flood.
- Sec. 27. Notice of availability of flood insurance and escrow in RESPA good faith estimate.
- Sec. 28. Authorization of additional FEMA staff.
- Sec. 29. Plan to verify maintenance of flood insurance on Mississippi and Louisiana properties receiving emergency supplemental funds.
- Sec. 30. Flood insurance advocate.
- Sec. 31. Treatment of previously mapped areas.
- Sec. 32. Remapping of areas with improved levees.
- Sec. 33. Appeals.
- Sec. 34. Eligibility of property demolition and rebuilding under flood mitigation assistance program.
- Sec. 35. Study regarding mandatory purchase requirement for non-federally related loans.
- Sec. 36. Study of methods to increase flood insurance program participation by low-income families and families in rural communities and on Indian reservations.
- Sec. 37. Report on inclusion of building codes in floodplain management criteria.
- Sec. 38. Study on repaying flood insurance debt.
- Sec. 39. Study regarding certain harbor areas.
- Sec. 40. Study regarding hazard modeling.

- Sec. 41. Study regarding impact of rate increases on pre-FIRM properties.
Sec. 42. Study of effects of Act.
Sec. 43. Reimbursement for costs incurred by homeowners obtaining letters of map amendment.
Sec. 44. Interim final rulemaking.
Sec. 45. Study on private insurance market, community participation in the National Flood Insurance Program, and the regionalization of the National Flood Insurance Program.
Sec. 46. Ethics compliance.

1 **SEC. 2. FINDINGS AND PURPOSES.**

2 (a) FINDINGS.—The Congress finds that—

3 (1) since the enactment of National Flood In-
4 surance Act of 1968, the national flood insurance
5 program has been the primary source of reliable,
6 reasonably priced, flood insurance coverage for mil-
7 lions of American homes and businesses;

8 (2) today over 5,500,000 homes and businesses
9 in the United States rely on the national flood insur-
10 ance program to provide a degree of financial secu-
11 rity;

12 (3) although participation in the national flood
13 insurance program has, in the past, largely been lim-
14 ited to properties required to participate in the pro-
15 gram because of the program's mandatory purchase
16 requirement for properties in special flood hazard
17 areas with loans from federally regulated lenders, re-
18 cent annual and extraordinary flooding has resulted
19 in the program enjoying its highest voluntary par-
20 ticipation since the establishment of the mandatory
21 flood insurance purchase requirement;

1 (4) several years of below-average flood claims
2 losses and increased voluntary participation in the
3 national flood insurance program have allowed the
4 program to fully service the debt incurred following
5 Hurricanes Katrina and Rita and allowed the pro-
6 gram to pay \$598,000,000 of the principal of that
7 outstanding debt;

8 (5) though significant reforms are needed to
9 further improve the financial outlook of the national
10 flood insurance program, long-term and reliable au-
11 thorization of the program is an essential element to
12 stabilizing the already fragile United States housing
13 market;

14 (6) increased flooding in areas outside des-
15 ignated special flood hazard areas prompted the Ex-
16 ecutive and the Congress in 2002 to begin calling for
17 the national flood insurance program to develop and
18 disseminate revised, updated flood insurance rate
19 maps that reflect the real risk of flooding for prop-
20 erties not previously identified as being located with-
21 in a special flood hazard area;

22 (7) dissemination of accurate, up-to-date, flood-
23 risk information remains a primary goal of the na-
24 tional flood insurance program and such information

1 should be disseminated as soon as such information
2 is collected and available;

3 (8) communities should be encouraged to make
4 their residents aware of updated flood-risk data
5 while communities are assessing and incorporating
6 updated flood-risk data into long-term community
7 planning;

8 (9) the maximum coverage limits for flood in-
9 surance policies should be increased to reflect infla-
10 tion and the increased cost of housing; and

11 (10) phasing out flood insurance premium sub-
12 sidies currently extended to vacation homes, second
13 homes, and commercial properties would result in
14 significant average annual savings to the national
15 flood insurance program.

16 (b) PURPOSES.—The purposes of this Act are—

17 (1) to identify priorities essential to the reform
18 and ongoing stable functioning of the national flood
19 insurance program;

20 (2) to increase incentives for homeowners and
21 communities to participate in the national flood in-
22 surance program and to improve oversight to ensure
23 better accountability of the national flood insurance
24 program and the Federal Emergency Management
25 Agency; and

1 (3) to increase awareness of homeowners of
2 flood risks and improve the information regarding
3 such risks provided to homeowners.

4 **SEC. 3. EXTENSION OF NATIONAL FLOOD INSURANCE PRO-**
5 **GRAM.**

6 (a) PROGRAM EXTENSION.—Section 1319 of the Na-
7 tional Flood Insurance Act of 1968 (42 U.S.C. 4026) is
8 amended by striking “September 30, 2011” and inserting
9 “September 30, 2016”.

10 (b) FINANCING.—Section 1309(a) of such Act (42
11 U.S.C. 4016(a)) is amended by striking “September 30,
12 2011” and inserting “September 30, 2016”.

13 (c) EXTENSION OF PILOT PROGRAM FOR MITIGA-
14 TION OF SEVERE REPETITIVE LOSS PROPERTIES.—Sec-
15 tion 1361A of the National Flood Insurance Act of 1968
16 (42 U.S.C. 4102a) is amended—

17 (1) in subsection (k)(1), by striking “2005,
18 2006, 2007, 2008, and 2009” and inserting “2012,
19 2013, 2014, 2015, and 2016”; and

20 (2) by striking subsection (l).

21 **SEC. 4. MAXIMUM COVERAGE LIMITS.**

22 Subsection (b) of section 1306 of the National Flood
23 Insurance Act of 1968 (42 U.S.C. 4013(b)) is amended—

24 (1) in paragraph (2), by striking “\$250,000”
25 and inserting “\$335,000”;

1 (2) in paragraph (3), by striking “\$100,000”
2 and inserting “\$135,000”; and

3 (3) in paragraph (4)—

4 (A) by striking “\$500,000” each place
5 such term appears and inserting “\$670,000”;
6 and

7 (B) by inserting before “; and” the fol-
8 lowing: “; except that, in the case of any non-
9 residential property that is a structure con-
10 taining more than one dwelling unit that is
11 made available for occupancy by rental (not-
12 withstanding the provisions applicable to the
13 determination of the risk premium rate for such
14 property), additional flood insurance in excess
15 of such limits shall be made available to every
16 insured upon renewal and every applicant for
17 insurance so as to enable any such insured or
18 applicant to receive coverage up to a total
19 amount that is equal to the product of the total
20 number of such rental dwelling units in such
21 property and the maximum coverage limit per
22 dwelling unit specified in paragraph (2); except
23 that in the case of any such multi-unit, nonresi-
24 dential rental property that is a pre-FIRM
25 structure (as such term is defined in section

1 578(b) of the National Flood Insurance Reform
2 Act of 1994 (42 U.S.C. 4014 note)), the risk
3 premium rate for the first \$500,000 of coverage
4 shall be determined in accordance with section
5 1307(a)(2) and the risk premium rate for any
6 coverage in excess of such amount shall be de-
7 termined in accordance with section
8 1307(a)(1)”.

9 **SEC. 5. PHASE-IN OF ACTUARIAL RATES FOR NONRESIDEN-**
10 **TIAL PROPERTIES, NON-PRIMARY RESI-**
11 **DENCES, SEVERE REPETITIVE LOSS PROP-**
12 **ERTIES, AND PROPERTIES SUBSTANTIALLY**
13 **DAMAGED OR IMPROVED.**

14 (a) IN GENERAL.—Section 1308(c) of the National
15 Flood Insurance Act of 1968 (42 U.S.C. 4015(c)) is
16 amended—

17 (1) by redesignating paragraph (2) as para-
18 graph (6); and

19 (2) by inserting after paragraph (1) the fol-
20 lowing new paragraphs:

21 “(2) NONRESIDENTIAL PROPERTIES.—Any non-
22 residential property, which term shall not include
23 any multifamily rental property that consists of four
24 or more dwelling units.

1 “(3) NON-PRIMARY RESIDENCES.—Any residen-
2 tial property that is not the primary residence of any
3 individual, including the owner of the property or
4 any other individual who resides in the property as
5 a tenant.

6 “(4) SEVERE REPETITIVE LOSS PROPERTIES.—
7 Any severe repetitive loss property, as such term is
8 defined in section 1361A(b), that is so designated as
9 such as a result of losses occurring on or after the
10 date of the enactment of the Flood Insurance Re-
11 form Priorities Act of 2011.

12 “(5) PROPERTIES SUBSTANTIALLY DAMAGED
13 OR SUBSTANTIALLY IMPROVED.—Any property that,
14 on or after the date of the enactment of the Flood
15 Insurance Reform and Priorities Act of 2011, has
16 experienced or sustained—

17 “(A) substantial damage exceeding 50 per-
18 cent of the fair market value of such property;

19 or

20 “(B) substantial improvement exceeding
21 30 percent of the fair market value of such
22 property.”.

23 (b) TECHNICAL AMENDMENTS.—Section 1308 of the
24 National Flood Insurance Act of 1968 (42 U.S.C. 4015)
25 is amended—

1 (1) in subsection (c)—

2 (A) in the matter preceding paragraph (1),
3 by striking “the limitations provided under
4 paragraphs (1) and (2)” and inserting “sub-
5 section (e)”; and

6 (B) in paragraph (1), by striking “, ex-
7 cept” and all that follows through “subsection
8 (e)”; and

9 (2) in subsection (e), by striking “paragraph
10 (2) or (3)” and inserting “paragraph (6)”.

11 (c) EFFECTIVE DATE AND TRANSITION.—

12 (1) EFFECTIVE DATE.—The amendments made
13 by subsections (a) and (b) shall apply beginning
14 upon the expiration of the 3-year period that begins
15 on the date of the enactment of this Act, except as
16 provided in paragraph (2) of this subsection.

17 (2) TRANSITION FOR PROPERTIES COVERED BY
18 FLOOD INSURANCE UPON EFFECTIVE DATE.—

19 (A) INCREASE OF RATES OVER TIME.—In
20 the case of any property described in paragraph
21 (2), (3), (4), or (5) of section 1308(c) of the
22 National Flood Insurance Act of 1968, as
23 amended by subsection (a) of this section, that,
24 as of the effective date under paragraph (1) of
25 this subsection, is covered under a policy for

1 flood insurance made available under the na-
2 tional flood insurance program for which the
3 chargeable premium rates are less than the ap-
4 plicable estimated risk premium rate under sec-
5 tion 1307(a)(1) for the area in which the prop-
6 erty is located, the Director of the Federal
7 Emergency Management Agency shall increase
8 the chargeable premium rates for such property
9 over time to such applicable estimated risk pre-
10 mium rate under section 1307(a)(1).

11 (B) ANNUAL INCREASE.—Such increase
12 shall be made by increasing the chargeable pre-
13 mium rates for the property (after application
14 of any increase in the premium rates otherwise
15 applicable to such property), once during the
16 12-month period that begins upon the effective
17 date under paragraph (1) of this subsection and
18 once every 12 months thereafter until such in-
19 crease is accomplished, by 20 percent (or such
20 lesser amount as may be necessary so that the
21 chargeable rate does not exceed such applicable
22 estimated risk premium rate or to comply with
23 subparagraph (C)).

24 (C) PROPERTIES SUBJECT TO PHASE-IN
25 AND ANNUAL INCREASES.—In the case of any

1 pre-FIRM property (as such term is defined in
2 section 578(b) of the National Flood Insurance
3 Reform Act of 1974), the aggregate increase,
4 during any 12-month period, in the chargeable
5 premium rate for the property that is attrib-
6 utable to this paragraph or to an increase de-
7 scribed in section 1308(e) of the National Flood
8 Insurance Act of 1968 may not exceed 20 per-
9 cent.

10 (D) FULL ACTUARIAL RATES.—The provi-
11 sions of paragraphs (2), (3), (4), and (5) of
12 such section 1308(e) shall apply to such a prop-
13 erty upon the accomplishment of the increase
14 under this paragraph and thereafter.

15 **SEC. 6. 5-YEAR DELAY IN EFFECTIVE DATE OF MANDATORY**
16 **PURCHASE REQUIREMENT FOR NEW FLOOD**
17 **HAZARD AREAS.**

18 (a) IN GENERAL.—Section 102 of the Flood Disaster
19 Protection Act of 1973 (42 U.S.C. 4012a) is amended by
20 adding at the end the following new subsections:

21 “(i) DELAYED EFFECTIVE DATE OF MANDATORY
22 PURCHASE REQUIREMENT FOR NEW FLOOD HAZARD
23 AREAS.—

24 “(1) IN GENERAL.—In the case of any area
25 that was not previously designated as an area having

1 special flood hazards and that, pursuant to any
2 issuance, revision, updating, or other change in flood
3 insurance maps that takes effect on or after Sep-
4 tember 30, 2007, becomes designated as an area
5 having special flood hazards, if each State and local
6 government having jurisdiction over any portion of
7 the geographic area has complied with paragraph
8 (2), such designation shall not take effect for pur-
9 poses of subsection (a), (b), or (e) of this section, or
10 section 202(a) of this Act, until the expiration of the
11 5-year period beginning upon the date that such
12 maps, as issued, revised, update, or otherwise
13 changed, become effective.

14 “(2) NOTICE REQUIREMENTS.—A State or local
15 government shall be considered to have complied
16 with this paragraph with respect to any geographic
17 area described in paragraph (1) only if the State or
18 local government has, before the effective date of the
19 issued, revised, updated, or changed maps, and in
20 accordance with such standards as shall be estab-
21 lished by the Director—

22 “(A) developed an evacuation plan to be
23 implemented in the event of flooding in such
24 portion of the geographic area; and

1 “(B) developed and implemented an out-
2 reach and communication plan to advise occu-
3 pants in such portion of the geographic area of
4 potential flood risks, appropriate evacuation
5 routes under the evacuation plan referred to in
6 subparagraph (A), the opportunity to purchase
7 flood insurance, and the consequences of failure
8 to purchase flood insurance.

9 “(3) RULE OF CONSTRUCTION.—Nothing in
10 paragraph (1) may be construed to affect the appli-
11 cability of a designation of any area as an area hav-
12 ing special flood hazards for purposes of the avail-
13 ability of flood insurance coverage, criteria for land
14 management and use, notification of flood hazards,
15 eligibility for mitigation assistance, or any other pur-
16 pose or provision not specifically referred to in para-
17 graph (1).

18 “(j) AVAILABILITY OF PREFERRED RISK RATING
19 METHOD PREMIUMS.—The preferred risk rate method
20 premium shall be available for flood insurance coverage
21 for properties located in areas referred to in subsection
22 (i)(1) and during the time period referred to in subsection
23 (i)(1).”.

24 “(b) CONFORMING AMENDMENT.—The second sen-
25 tence of subsection (h) of section 1360 of the National

1 Flood Insurance Act of 1968 (42 U.S.C. 4101(h)) is
 2 amended by striking “Such” and inserting “Except for no-
 3 tice regarding a change described in section 102(i)(1) of
 4 the Flood Disaster Protection Act of 1973 (42 U.S.C.
 5 4012a(i)(1)), such”.

6 (c) NO REFUNDS.—Nothing in this section or the
 7 amendments made by this section may be construed to au-
 8 thorize or require any payment or refund for flood insur-
 9 ance coverage purchased for any property that covered any
 10 period during which such coverage is not required for the
 11 property pursuant to the applicability of the amendment
 12 made by subsection (a).

13 **SEC. 7. 5-YEAR PHASE-IN OF FLOOD INSURANCE RATES**
 14 **FOR NEWLY MAPPED AREAS.**

15 (a) IN GENERAL.—Section 1308 of the National
 16 Flood Insurance Act of 1968 (42 U.S.C. 4015), as amend-
 17 ed by the preceding provisions of this Act, is further
 18 amended—

19 (1) in subsection (a), in the matter preceding
 20 paragraph (1), by inserting “or notice” after “pre-
 21 scribe by regulation”;

22 (2) in subsection (c), by inserting “and sub-
 23 section (g)” before the first comma; and

24 (3) by adding at the end the following new sub-
 25 section:

1 “(g) 5-YEAR PHASE-IN OF FLOOD INSURANCE
2 RATES FOR NEWLY MAPPED AREAS.—Notwithstanding
3 any other provision of law relating to chargeable risk pre-
4 mium rates for flood insurance coverage under this title,
5 in the case of any area that was not previously designated
6 as an area having special flood hazards and that, pursuant
7 to any issuance, revision, updating, or other change in
8 flood insurance maps, becomes designated as such an
9 area, during the 5-year period that begins upon the later
10 of (A) the expiration of the period referred to in section
11 102(i)(1) of the Flood Disaster Protection Act of 1973
12 with respect to such area, or (B) the expiration of any
13 period during which such area is eligible for any reason
14 for preferred risk rate method premiums for flood insur-
15 ance coverage, the chargeable premium rate for flood in-
16 surance under this title with respect to any property that
17 is located within such area shall be—

18 “(1) for the first year of such 5-year period, 20
19 percent of the chargeable risk premium rate other-
20 wise applicable under this title to the property;

21 “(2) for the second year of such 5-year period,
22 40 percent of the chargeable risk premium rate oth-
23 erwise applicable under this title to the property;

1 **SEC. 9. CONSIDERATION OF CONSTRUCTION, RECON-**
2 **STRUCTION, AND IMPROVEMENT OF FLOOD**
3 **PROTECTION SYSTEMS IN DETERMINATION**
4 **OF FLOOD INSURANCE RATES.**

5 (a) IN GENERAL.—Section 1307 of the National
6 Flood Insurance Act of 1968 (42 U.S.C. 4014) is amend-
7 ed—

8 (1) in subsection (e)—

9 (A) in the first sentence, by striking “con-
10 struction of a flood protection system” and in-
11 sserting “construction, reconstruction, or im-
12 provement of a flood protection system (without
13 respect to the level of Federal investment or
14 participation)”; and

15 (B) in the second sentence—

16 (i) by striking “construction of a flood
17 protection system” and inserting “con-
18 struction, reconstruction, or improvement
19 of a flood protection system”; and

20 (ii) by inserting “based on the present
21 value of the completed system” after “has
22 been expended”; and

23 (2) in subsection (f)—

24 (A) in the first sentence in the matter pre-
25 ceding paragraph (1), by inserting “(without re-

1 spect to the level of Federal investment or par-
2 ticipation)” before the period at the end;

3 (B) in the third sentence in the matter
4 preceding paragraph (1), by inserting “, wheth-
5 er coastal or riverine,” after “special flood haz-
6 ard”; and

7 (C) in paragraph (1), by striking “a Fed-
8 eral agency in consultation with the local
9 project sponsor” and inserting “the entity or
10 entities that own, operate, maintain, or repair
11 such system”.

12 (b) REGULATIONS.—The Administrator of the Fed-
13 eral Emergency Management Agency shall promulgate
14 regulations to implement this section and the amendments
15 made by this section as soon as practicable, but not more
16 than 18 months after the date of the enactment of this
17 Act. Subsection (c) may not be construed to annul, alter,
18 affect, authorize any waiver of, or establish any exception
19 to, the requirement under the preceding sentence.

20 (c) IMPLEMENTATION.—The Administrator of the
21 Federal Emergency Management Agency shall implement
22 this section and the amendments made by this section in
23 a manner that will not materially weaken the financial po-
24 sition of the national flood insurance program or increase
25 the risk of financial liability to Federal taxpayers.

1 **SEC. 10. DISCOUNTED FLOOD INSURANCE RATES FOR**
2 **PROPERTIES PROTECTED BY A FLOOD-PRO-**
3 **TECTION SYSTEM FROM LESS THAN A 100-**
4 **YEAR FREQUENCY FLOOD.**

5 Section 1307 of the National Flood Insurance Act of
6 1968 (42 U.S.C. 4014) is amended by adding at the end
7 the following new subsection:

8 “(g) Except as provided in subsection (f) and not-
9 withstanding any other provision of law, flood insurance
10 coverage shall be made available for a property that the
11 Director determines is protected by a flood-protection sys-
12 tem that does not provide protection against a 100-year
13 frequency flood at premium rates that reflect a discount
14 for the actual protection against flood risk afforded by
15 such flood-protection system.”.

16 **SEC. 11. TREATMENT OF CERTAIN FLOOD PROTECTION**
17 **PROJECTS.**

18 Section 1308 of the National Flood Insurance Act of
19 1968 (42 U.S.C. 4015), as amended by the preceding pro-
20 visions of this Act, is further amended by adding at the
21 end the following new subsection:

22 “(h) TREATMENT OF CERTAIN FLOOD PROTECTION
23 PROJECTS.—

24 “(1) INAPPLICABILITY OF MANDATORY PUR-
25 CHASE REQUIREMENT; PREMIUM RATES.—Notwith-
26 standing any other provision of law, upon full com-

1 pletion, as designed, of a flood protection system
2 that was intended to provide flood protection with
3 respect to a covered area, such covered area—

4 “(A) shall not be considered to be an area
5 having special flood hazards for purposes of this
6 Act or subsections (a), (b), or (e) of section
7 102, or section 202(a) of the Flood Disaster
8 Protection Act of 1973; and

9 “(B) shall be eligible for flood insurance
10 under this Act, if and to the extent that such
11 area is eligible for such insurance under the
12 other provisions of this Act, at premium rates
13 not exceeding those that would be applicable
14 under this section if the flood protection system
15 referred to in paragraph (2) for such area had
16 been completed and accredited as providing pro-
17 tection from floods at the level that the system
18 was designed to provide (before construction,
19 reconstruction, or improvement of the system,
20 as applicable, began).

21 The flood insurance rate maps shall indicate, for
22 each covered area, the status of the area under sub-
23 paragraphs (A) and (B).

24 “(2) COVERED AREA.—For purposes of this
25 subsection, a covered area is an area that was in-

1 tended to be protected by a flood protection sys-
2 tem—

3 “(A)(i) for which, as of April 15, 2010—

4 “(I) construction, reconstruction, or
5 improvement has not been completed;

6 “(II) adequate progress, within the
7 meaning of section 1307(e), has been made
8 on such construction, reconstruction, or
9 improvement; and

10 “(III) is in an area having special
11 flood hazards; or

12 “(ii) for which, as of such date—

13 “(I) construction, reconstruction, or
14 improvement has been completed;

15 “(II) a determination regarding ac-
16 creditation has not been made; and

17 “(III) is in an area having special
18 flood hazards;

19 “(B) that was designed to provide protec-
20 tion for at least the 100-year frequency flood;
21 and

22 “(C) that has been determined, pursuant
23 to waterflow data or other scientific information
24 of a Federal agency obtained after, or that has
25 changed since, commencement of construction,

1 reconstruction, or improvement, will not provide
2 protection from floods at the level referred to in
3 subparagraph (B).”.

4 **SEC. 12. PROHIBITION OF EXTENSION OF SUBSIDIZED**
5 **RATES TO LAPSED POLICIES.**

6 Section 1308 of the National Flood Insurance Act of
7 1968 (42 U.S.C. 4015), as amended by the preceding pro-
8 visions of this Act, is further amended by adding at the
9 end the following new subsection:

10 “(i) **PROHIBITION OF EXTENSION OF SUBSIDIZED**
11 **RATES TO LAPSED POLICIES.**—The Director shall not
12 provide flood insurance coverage under this title to any
13 prospective insured at a rate less than the applicable esti-
14 mated risk premium rates for the area (or subdivision
15 thereof) for any policy under the flood insurance program
16 that has lapsed in coverage, as a result of the deliberate
17 choice of the holder of such policy.”.

18 **SEC. 13. NOTIFICATION TO HOMEOWNERS REGARDING**
19 **MANDATORY PURCHASE REQUIREMENT AP-**
20 **PLICABILITY AND RATE PHASE-INS.**

21 Section 201 of the Flood Disaster Protection Act of
22 1973 (42 U.S.C. 4105) is amended by adding at the end
23 the following new subsection:

24 “(f) **ANNUAL NOTIFICATION.**—The Director, in con-
25 sultation with affected communities, shall establish and

1 carry out a plan to notify residents of areas having special
2 flood hazards, on an annual basis—

3 “(1) that they reside in such an area;

4 “(2) of the geographical boundaries of such
5 area;

6 “(3) of whether section 1308(h) of the National
7 Flood Insurance Act of 1968 applies to properties
8 within such area;

9 “(4) of the provisions of section 102 requiring
10 purchase of flood insurance coverage for properties
11 located in such an area, including the date on which
12 such provisions apply with respect to such area, tak-
13 ing into consideration section 102(i); and

14 “(5) of a general estimate of what similar
15 homeowners in similar areas typically pay for flood
16 insurance coverage, taking into consideration section
17 1308(g) of the National Flood Insurance Act of
18 1968.”.

19 **SEC. 14. COMMUNITY OUTREACH PLAN FOR UPDATING**
20 **FLOODPLAIN AREAS AND FLOOD-RISK**
21 **ZONES.**

22 The Administrator of the Federal Emergency Man-
23 agement Agency shall, not later than the expiration of the
24 60-day period beginning upon the date of the enactment
25 of this Act, submit to the Congress a community outreach

1 plan for the updating of floodplain areas and flood-risk
2 zones under section 1360(f) of the National Flood Insur-
3 ance Act of 1968 (42 U.S.C. 4101(f)).

4 **SEC. 15. NOTIFICATION OF ESTABLISHMENT OF FLOOD**
5 **ELEVATIONS.**

6 Section 1360 of the National Flood Insurance Act of
7 1968 (42 U.S.C. 4101) is amended by adding at the end
8 the following new subsection:

9 “(1) NOTIFICATION TO MEMBERS OF CONGRESS OF
10 MAP MODERNIZATION.—Upon any revision or update of
11 any floodplain area or flood-risk zone pursuant to sub-
12 section (f), any decision pursuant to subsection (f)(1) that
13 such revision or update is necessary, any issuance of pre-
14 liminary maps for such revision or updating, or any other
15 significant action relating to any such revision or update,
16 the Director shall notify the Senators for each State af-
17 fected, and each Member of the House of Representatives
18 for each congressional district affected, by such revision
19 or update in writing of the action taken.”.

20 **SEC. 16. COVERAGE FOR ADDITIONAL LIVING EXPENSES**
21 **AND BUSINESS INTERRUPTION.**

22 Subsection (b) of section 1306 of the National Flood
23 Insurance Act of 1968 (42 U.S.C. 4013) is amended—

24 (1) in paragraph (4), by striking “and” at the
25 end;

1 (2) in paragraph (5)—

2 (A) by inserting “pursuant to paragraph
3 (2), (3), or (4)” after “any flood insurance cov-
4 erage”; and

5 (B) by striking the period at the end and
6 inserting a semicolon; and

7 (3) by adding at the end the following new
8 paragraphs:

9 “(6) in the case of any residential property,
10 each renewal or new contract for flood insurance
11 coverage shall provide not less than \$1,000 aggre-
12 gate liability per dwelling unit for any necessary in-
13 creases in living expenses incurred by the insured
14 when losses from a flood make the residence unfit to
15 live in, which coverage shall be available only at
16 chargeable rates that are not less than the estimated
17 premium rates for such coverage determined in ac-
18 cordance with section 1307(a)(1);

19 “(7) in the case of any residential property, op-
20 tional coverage for additional living expenses de-
21 scribed in paragraph (6) shall be made available to
22 every insured upon renewal and every applicant in
23 excess of the limits provided in paragraph (6) in
24 such amounts and at such rates as the Director
25 shall establish, except that such chargeable rates

1 shall not be less than the estimated premium rates
2 for such coverage determined in accordance with sec-
3 tion 1307(a)(1); and

4 “(8) in the case of any commercial property or
5 other residential property, including multifamily
6 rental property, optional coverage for losses result-
7 ing from any partial or total interruption of the in-
8 sured’s business caused by damage to, or loss of,
9 such property from a flood shall be made available
10 to every insured upon renewal and every applicant,
11 except that—

12 “(A) the Director may provide such cov-
13 erage under such terms, conditions, and re-
14 quirements as the Director considers appro-
15 priate to meet the needs of small businesses
16 while complying with the requirement under
17 subparagraph (C); and

18 “(B) any such coverage shall be made
19 available only at chargeable rates that are not
20 less than the estimated premium rates for such
21 coverage determined in accordance with section
22 1307(a)(1).”.

1 **SEC. 17. EXCEPTION TO WAITING PERIOD FOR EFFECTIVE**
2 **DATE OF POLICIES.**

3 Section 1306(e)(2)(A) of the National Flood Insur-
4 ance Act of 1968 (42 U.S.C. 4013(e)(2)(A)) is amended
5 by inserting before the semicolon the following: “or is in
6 connection with the purchase or other transfer of the prop-
7 erty for which the coverage is provided (regardless of
8 whether a loan is involved in the purchase or transfer
9 transaction), but only when such initial purchase of cov-
10 erage is made not later 30 days after such making, in-
11 creasing, extension, or renewal of the loan or not later
12 than 30 days after such purchase or other transfer of the
13 property, as applicable”.

14 **SEC. 18. MINIMUM DEDUCTIBLES FOR CLAIMS.**

15 Section 1312 of the National Flood Insurance Act of
16 1968 (42 U.S.C. 4019) is amended—

17 (1) by striking “The Director is” and inserting
18 the following: “(a) IN GENERAL.—The Director is”;
19 and

20 (2) by adding at the end the following:

21 “(b) MINIMUM ANNUAL DEDUCTIBLES.—

22 “(1) PRE-FIRM PROPERTIES.—For any struc-
23 ture that is covered by flood insurance under this
24 title, and on which construction or substantial im-
25 provement occurred on or before December 31,
26 1974, or before the effective date of an initial flood

1 insurance rate map published by the Director under
2 section 1360 for the area in which such structure is
3 located, the minimum annual deductible for damage
4 to or loss of such structure shall be—

5 “(A) \$1,500, if the flood insurance cov-
6 erage for such structure covers loss of, or phys-
7 ical damage to, such structure in an amount
8 equal to or less than \$100,000; and

9 “(B) \$2,000, if the flood insurance cov-
10 erage for such structure covers loss of, or phys-
11 ical damage to, such structure in an amount
12 greater than \$100,000.

13 “(2) POST-FIRM PROPERTIES.—For any struc-
14 ture that is covered by flood insurance under this
15 title, and on which construction or substantial im-
16 provement occurred after December 31, 1974, or
17 after the effective date of an initial flood insurance
18 rate map published by the Director under section
19 1360 for the area in which such structure is located,
20 the minimum annual deductible for damage to or
21 loss of such structure shall be—

22 “(A) \$750, if the flood insurance coverage
23 for such structure covers loss of, or physical
24 damage to, such structure in an amount equal
25 to or less than \$100,000; and

1 “(B) \$1,000, if the flood insurance cov-
2 erage for such structure covers loss of, or phys-
3 ical damage to, such structure in an amount
4 greater than \$100,000.”.

5 **SEC. 19. PAYMENT OF PREMIUMS IN INSTALLMENTS FOR**
6 **RESIDENTIAL PROPERTIES.**

7 Section 1306 of the National Flood Insurance Act of
8 1968 (42 U.S.C. 4013) is amended by adding at the end
9 the following new subsection:

10 “(d) PAYMENT OF PREMIUMS IN INSTALLMENTS FOR
11 RESIDENTIAL PROPERTIES.—In addition to any other
12 terms and conditions under subsection (a), such regula-
13 tions shall provide that, in the case of any residential prop-
14 erty, premiums for flood insurance coverage for such prop-
15 erty may be paid in installments.”.

16 **SEC. 20. TERMINATION OF FORCE-PLACED INSURANCE.**

17 Section 102(e) of the Flood Disaster Protection Act
18 of 1973 (42 U.S.C. 4012a(e)) is amended—

19 (1) by redesignating paragraphs (3) and (4) as
20 paragraphs (5) and 6), respectively; and

21 (2) by adding inserting after paragraph (2) the
22 following new paragraphs:

23 “(3) TERMINATION OF FORCE-PLACED INSUR-
24 ANCE.—Within 15 days of receipt by the lender or
25 servicer of a confirmation of a borrower’s existing

1 flood insurance coverage, the lender or servicer
2 shall—

3 “(A) terminate the force-placed insurance;
4 and

5 “(B) refund to the borrower all force-
6 placed insurance premiums paid by the bor-
7 rower during any period during which the bor-
8 rower’s flood insurance coverage and the force-
9 placed flood insurance coverage were each in ef-
10 fect, and any related fees charged to the bor-
11 rower with respect to the force-placed insurance
12 during such period.

13 “(4) SUFFICIENCY OF DEMONSTRATION.—A
14 lender or servicer for a loan shall accept any reason-
15 able form of written confirmation from a borrower
16 of existing flood insurance coverage, which shall in-
17 clude the existing flood insurance policy number
18 along with the identity of, and contact information
19 for, the insurance company or agent.”.

20 **SEC. 21. ENFORCEMENT.**

21 Section 102(f) of the Flood Disaster Protection Act
22 of 1973 (42 U.S.C. 4012a(f)) is amended—

23 (1) in paragraph (2)—

24 (A) in subparagraph (A)(iii), by striking
25 “or” at the end;

1 (B) in subparagraph (B), by striking the
2 period at the end and inserting “; or”;

3 (C) by adding at the end the following new
4 subparagraph:

5 “(C) in connection with the making, in-
6 creasing, extending, servicing, or renewing of
7 any loan, requiring the purchase of flood insur-
8 ance coverage under the National Flood Insur-
9 ance Act of 1968, or purchasing such coverage
10 pursuant to subsection (e)(2), in an amount in
11 excess of the minimum amount required under
12 subsections (a) and (b) of this section.”;

13 (2) in paragraph (5)—

14 (A) in the first sentence, by striking
15 “\$350” and inserting “\$2,000”; and

16 (B) in the last sentence, by striking
17 “\$100,000” and inserting “\$1,000,000; except
18 that such limitation shall not apply to a regu-
19 lated lending institution or enterprise for a cal-
20 endar year if, in any three (or more) of the five
21 calendar years immediately preceding such cal-
22 endar year, the total amount of penalties as-
23 sessed under this subsection against such lend-
24 ing institution or enterprise was \$1,000,000”;
25 and

1 (3) in paragraph (6), by adding after the period
 2 at the end the following: “No penalty may be im-
 3 posed under this subsection on a regulated lending
 4 institution or enterprise that has made a good faith
 5 effort to comply with the requirements of the provi-
 6 sions referred to in paragraph (2) or for any non-
 7 material violation of such requirements.”.

8 **SEC. 22. NOTIFICATION TO TENANTS OF AVAILABILITY OF**
 9 **CONTENTS INSURANCE.**

10 The National Flood Insurance Act of 1968 is amend-
 11 ed by inserting after section 1308 (42 U.S.C. 4015) the
 12 following new section:

13 **“SEC. 1308A. NOTIFICATION TO TENANTS OF AVAILABILITY**
 14 **OF CONTENTS INSURANCE.**

15 “(a) IN GENERAL.—The Director shall, upon enter-
 16 ing into a contract for flood insurance coverage under this
 17 title for any property—

18 “(1) provide to the insured sufficient copies of
 19 the notice developed pursuant to subsection (b); and

20 “(2) require the insured to provide a copy of
 21 the notice, or otherwise provide notification of the
 22 information under subsection (b) in the manner that
 23 the manager or landlord deems most appropriate, to
 24 each such tenant and to each new tenant upon com-
 25 mencement of such a tenancy.

1 “(b) NOTICE.—Notice to a tenant of a property in
2 accordance with this subsection is written notice that
3 clearly informs a tenant—

4 “(1) whether the property is located in an area
5 having special flood hazards;

6 “(2) that flood insurance coverage is available
7 under the national flood insurance program under
8 this title for contents of the unit or structure leased
9 by the tenant;

10 “(3) of the maximum amount of such coverage
11 for contents available under this title at that time;
12 and

13 “(4) of where to obtain information regarding
14 how to obtain such coverage, including a telephone
15 number, mailing address, and Internet site of the
16 Director where such information is available.”.

17 **SEC. 23. GRANTS FOR DIRECT FUNDING OF MITIGATION**
18 **ACTIVITIES FOR INDIVIDUAL REPETITIVE**
19 **CLAIMS PROPERTIES.**

20 (a) DIRECT GRANTS TO OWNERS.—Section 1323 of
21 the National Flood Insurance Act of 1968 (42 U.S.C.
22 4030) is amended—

23 (1) in the section heading, by inserting “**DI-**
24 **RECT**” before “**GRANTS**”; and

1 reach activities to encourage and facilitate the purchase
2 of flood insurance protection under this Act by owners and
3 renters of properties in such communities and to promote
4 educational activities that increase awareness of flood risk
5 reduction.

6 “(b) OUTREACH ACTIVITIES.—Amounts from a grant
7 under this section shall be used only for activities designed
8 to—

9 “(1) identify owners and renters of properties
10 in communities that participate in the national flood
11 insurance program, including owners of residential
12 and commercial properties;

13 “(2) notify such owners and renters when their
14 properties become included in, or when they are ex-
15 cluded from, an area having special flood hazards
16 and the effect of such inclusion or exclusion on the
17 applicability of the mandatory flood insurance pur-
18 chase requirement under section 102 of the Flood
19 Disaster Protection Act of 1973 (42 U.S.C. 4012a)
20 to such properties;

21 “(3) educate such owners and renters regarding
22 the flood risk and reduction of this risk in their
23 community, including the continued flood risks to
24 areas that are no longer subject to the flood insur-
25 ance mandatory purchase requirement;

1 “(4) educate such owners and renters regarding
2 the benefits and costs of maintaining or acquiring
3 flood insurance, including, where applicable, lower-
4 cost preferred risk policies under this title for such
5 properties and the contents of such properties;

6 “(5) encouraging such owners and renters to
7 maintain or acquire such coverage;

8 “(6) notify such owners of where to obtain in-
9 formation regarding how to obtain such coverage, in-
10 cluding a telephone number, mailing address, and
11 Internet site of the Director where such information
12 is available; and

13 “(7) educate local real estate agents in commu-
14 nities participating in the national flood insurance
15 program regarding the program and the availability
16 of coverage under the program for owners and rent-
17 ers of properties in such communities, and establish
18 coordination and liaisons with such real estate
19 agents to facilitate purchase of coverage under this
20 Act and increase awareness of flood risk reduction.

21 “(c) COST SHARING REQUIREMENT.—

22 “(1) IN GENERAL.—In any fiscal year, the Di-
23 rector may not provide a grant under this section to
24 a local governmental agency in an amount exceeding
25 3 times the amount that the agency certifies, as the

1 Director shall require, that the agency will con-
2 tribute from non-Federal funds to be used with
3 grant amounts only for carrying out activities de-
4 scribed in subsection (b).

5 “(2) NON-FEDERAL FUNDS.—For purposes of
6 this subsection, the term ‘non-Federal funds’ in-
7 cludes State or local government agency amounts,
8 in-kind contributions, any salary paid to staff to
9 carry out the eligible activities of the grant recipient,
10 the value of the time and services contributed by vol-
11 unteers to carry out such services (at a rate deter-
12 mined by the Director), and the value of any do-
13 nated material or building and the value of any lease
14 on a building.

15 “(d) ADMINISTRATIVE COST LIMITATION.—Notwith-
16 standing subsection (b), the Director may use not more
17 than 5 percent of amounts made available under sub-
18 section (i) to cover salaries, expenses, and other adminis-
19 trative costs incurred by the Director in making grants
20 and provide assistance under this section.

21 “(e) APPLICATION AND SELECTION.—

22 “(1) IN GENERAL.—The Director shall provide
23 for local governmental agencies described in sub-
24 section (a) to submit applications for grants under
25 this section and for competitive selection, based on

1 criteria established by the Director, of agencies sub-
2 mitting such applications to receive such grants.

3 “(2) SELECTION CONSIDERATIONS.—In select-
4 ing applications of local government agencies to re-
5 ceive grants under paragraph (1), the Director shall
6 consider—

7 “(A) the existence of a cooperative tech-
8 nical partner agreement between the local gov-
9 ernmental agency and the Federal Emergency
10 Management Agency;

11 “(B) the history of flood losses in the rel-
12 evant area that have occurred to properties,
13 both inside and outside the special flood haz-
14 ards zones, which are not covered by flood in-
15 surance coverage;

16 “(C) the estimated percentage of high-risk
17 properties located in the relevant area that are
18 not covered by flood insurance;

19 “(D) demonstrated success of the local
20 governmental agency in generating voluntary
21 purchase of flood insurance;

22 “(E) demonstrated technical capacity of
23 the local governmental agency for outreach to
24 individual property owners; and

1 “(F) the number of flood-related major
2 disaster or emergency declarations made by the
3 President with respect to the relevant area
4 under the Robert T. Stafford Disaster Relief
5 and Emergency Assistance Act (42 U.S.C. 5121
6 et seq.) during the preceding five years.

7 “(f) DIRECT OUTREACH BY FEMA.—In each fiscal
8 year that amounts for grants are made available pursuant
9 to subsection (i), the Director may use not more than 50
10 percent of such amounts to carry out, and to enter into
11 contracts with other entities to carry out, activities de-
12 scribed in subsection (b) in areas that the Director deter-
13 mines have the most immediate need for such activities.

14 “(g) COORDINATION WITH OTHER AGENCIES.—A
15 local governmental agency that receives a grant under this
16 section, and an entity that receives amounts pursuant to
17 subsection (f), may coordinate or contract with other
18 agencies and entities having particular capacities, special-
19 ties, or experience with respect to certain populations or
20 constituencies, including elderly or disabled families or
21 persons, to carry out activities described in subsection (b)
22 with respect to such populations or constituencies.

23 “(h) REPORTING.—

24 “(1) LOCAL GOVERNMENTS.—Each local gov-
25 ernment agency that receives a grant under this sec-

1 tion, and each entity that receives amounts pursuant
2 to subsection (f), shall submit a report to the Direc-
3 tor, not later than 12 months after such amounts
4 are first received, which shall include such informa-
5 tion as the Director considers appropriate to de-
6 scribe the activities conducted using such amounts
7 and the effect of such activities on the retention or
8 acquisition of flood insurance coverage.

9 “(2) DIRECTOR.—The Director shall submit an
10 annual report, not later than December 31 of each
11 year, to the Committee on Financial Services of the
12 House of Representatives and the Committee on
13 Banking, Housing, and Urban Affairs of the Senate
14 on the effectiveness of grants awarded under this
15 section to local government agencies, the activities
16 conducted using such grant amounts, and the effect
17 of such activities on the retention or acquisition of
18 flood insurance coverage.

19 “(i) AUTHORIZATION OF APPROPRIATIONS.—There is
20 authorized to be appropriated for grants under this section
21 \$50,000,000 for each of fiscal years 2012 through 2016.

22 “(j) PROHIBITION ON EARMARKS.—No amounts
23 made available for grants under this section may be used
24 for a Congressional earmark as defined in clause 9(e) of
25 Rule XXI of the Rules of the House of Representatives.”.

1 **SEC. 25. TREATMENT OF SWIMMING POOL ENCLOSURES**
2 **OUTSIDE OF HURRICANE SEASON.**

3 Chapter I of the National Flood Insurance Act of
4 1968 (42 U.S.C. 4001 et seq.), as amended by the pre-
5 ceding provisions of this Act, is further amended by add-
6 ing at the end the following new section:

7 **“SEC. 1327. TREATMENT OF SWIMMING POOL ENCLOSURES**
8 **OUTSIDE OF HURRICANE SEASON.**

9 “In the case of any property that is otherwise in com-
10 pliance with the coverage and building requirements of the
11 national flood insurance program, the presence of an en-
12 closed swimming pool located at ground level or in the
13 space below the lowest floor of a building after November
14 30 and before June 1 of any year shall have no effect on
15 the terms of coverage or the ability to receive coverage
16 for such building under the national flood insurance pro-
17 gram established pursuant to this title, if the pool is en-
18 closed with non-supporting breakaway walls.”

19 **SEC. 26. REQUIREMENTS RELATING TO WINDSTORM AND**
20 **FLOOD.**

21 Section 1345 of the National Flood Insurance Act of
22 1968 (42 U.S.C. 4081) is amended by adding at the end
23 the following new subsection:

24 “(d) REQUIREMENTS FOR WRITE-YOUR-OWN INSUR-
25 ERS RELATING TO WINDSTORM AND FLOOD.—

1 “(1) WRITTEN AGREEMENT.—The Director
2 may not utilize the facilities or services of any insur-
3 ance company or other insurer or entity to offer
4 flood insurance coverage under this title unless such
5 company, insurer, or entity enters into a written
6 agreement with the Director that provides as fol-
7 lows:

8 “(A) PROHIBITION ON EXCLUSION OF
9 WIND DAMAGE COVERAGE.—The agreement
10 shall prohibit the company, insurer, or entity
11 from including, in any policy provided by the
12 company or insurer for homeowners’ insurance
13 coverage or coverage for damage from wind-
14 storms, any provision that excludes coverage for
15 wind or other damage solely because flooding
16 also contributed to damage to the insured prop-
17 erty.

18 “(B) FIDUCIARY RESPONSIBILITY.—The
19 agreement shall provide that the company, in-
20 surer, or entity—

21 “(i) has a fiduciary duty with respect
22 to the Federal taxpayers;

23 “(ii) in selling and servicing policies
24 for flood insurance coverage under this
25 title and adjusting claims under such cov-

1 erage, will act in the best interests the na-
2 tional flood insurance program rather than
3 in the interests of the company, insurer, or
4 entity; and

5 “(iii) will provide written guidance to
6 each insurance agent and claims adjuster
7 for the company, insurer, or entity that
8 sets forth the terms of the agreement pur-
9 suant to subparagraph (A) and this sub-
10 paragraph.

11 “(2) REQUIREMENTS FOR ADJUSTMENT OF
12 CLAIMS.—The Director shall, in utilizing the facili-
13 ties of any insurance company or other insurer or
14 entity pursuant to this section to offer flood insur-
15 ance coverage under this title, the Director shall
16 provide as follows:

17 “(A) APPROVAL OF ADJUSTMENT PROCE-
18 DURES.—No such insurance company, other in-
19 surer, or entity may offer flood insurance cov-
20 erage under this title unless the Director has
21 approved, as meeting standards as the Director
22 shall establish, the procedures, protocols, guide-
23 lines, standards, or instructions used by the
24 company, insurer, or entity in adjusting claims
25 for identifying, apportioning, quantifying, and

1 differentiating damage caused by flooding and
2 damage caused by wind.

3 “(B) TREATMENT OF WIND AND FLOOD
4 CLAIMS FROM SAME EVENT.—The Director
5 shall require any insurance company or other
6 insurer or entity that, pursuant to this section,
7 provides flood insurance coverage under this
8 title for a property and that also provides insur-
9 ance coverage for the same property for losses
10 resulting from wind, when claims are made both
11 for damage resulting from flood and for damage
12 resulting from wind involved in a single event,
13 to comply with the following requirements:

14 “(i) CONTEMPORANEOUS ADJUST-
15 MENT.—The claims for damage to the
16 property under the coverage under this
17 title for losses from flood and under the
18 coverage for losses from wind shall be ad-
19 justed contemporaneously.

20 “(ii) INCLUSIONS IN FLOOD CLAIM
21 FILE.—The insurance company, other in-
22 surer, or entity shall obtain and include in
23 the file maintained with respect to any
24 claim under the flood insurance coverage
25 under this title, and make available to the

1 Director upon request, the following infor-
2 mation relating to the wind claim:

3 “(I) The amount paid on the
4 claim and the date of such payment.

5 “(II) An explanation of rationale
6 used by the company, insurer, or enti-
7 ty in determining which damage re-
8 sulted from flood and which damage
9 resulted from wind.

10 “(III) Copies of any photographs,
11 witness statements, and other evi-
12 dence related to the wind or flood
13 claim.

14 “(iii) REVIEW.—The Director shall re-
15 view the information obtained pursuant to
16 clause (ii) to ensure that—

17 “(I) claims are paid under cov-
18 erage under this title only for losses
19 resulting from flood; and

20 “(II) in the adjusting the claims,
21 the insurance company or other in-
22 surer or entity complied with proce-
23 dures, protocols, guidelines, stand-
24 ards, or instructions for identifying,
25 apportioning, quantifying, and dif-

1 ferentiating damage caused by flood-
2 ing and damage caused by wind that
3 have been approved by the Director as
4 meeting the standards established by
5 the Director pursuant to subpara-
6 graph (A).

7 “(iv) PAYMENT UNDER FLOOD COV-
8 ERAGE WHEN CAUSE OF LOSS CANNOT BE
9 DETERMINED.—If the insurance company
10 or other insurer or entity determines that
11 the loss claimed was caused by flooding or
12 wind, but that the evidence is insufficient
13 to differentiate the losses caused by flood-
14 ing from those caused by wind, the com-
15 pany, insurer, or entity shall pay the claim
16 under the flood insurance coverage for the
17 property as if the entire loss were caused
18 by flooding, and shall submit all informa-
19 tion regarding the claim to the Director.

20 “(v) FEMA DETERMINATION AND RE-
21 COVERY.—In the case of any claim paid
22 pursuant to clause (iv), the Director shall
23 review the information related to the claim
24 and determine, in accordance with proce-
25 dures for making such a determination re-

1 garding such claims as the Director shall
2 establish, the losses caused by wind. The
3 Director shall seek to recover any portion
4 of the losses that the Director determines
5 were caused by wind from the insurance
6 company or other insurer or entity that,
7 pursuant to clause (iv), paid such losses as
8 flood losses.”.

9 **SEC. 27. NOTICE OF AVAILABILITY OF FLOOD INSURANCE**
10 **AND ESCROW IN RESPA GOOD FAITH ESTI-**
11 **MATE.**

12 Subsection (c) of section 5 of the Real Estate Settle-
13 ment Procedures Act of 1974 (12 U.S.C. 2604(c)) is
14 amended by adding at the end the following new sentence:
15 “Each such good faith estimate shall include the following
16 conspicuous statements and information: (1) that flood in-
17 surance coverage for residential real estate is generally
18 available under the national flood insurance program
19 whether or not the real estate is located in an area having
20 special flood hazards and that, to obtain such coverage,
21 a home owner or purchaser should contact the national
22 flood insurance program; (2) a telephone number and a
23 location on the Internet by which a home owner or pur-
24 chaser can contact the national flood insurance program;
25 and (3) that the escrowing of flood insurance payments

1 is required for many loans under section 102(d) of the
2 Flood Disaster Protection Act of 1973, and may be a con-
3 venient and available option with respect to other loans.”.

4 **SEC. 28. AUTHORIZATION OF ADDITIONAL FEMA STAFF.**

5 Notwithstanding any other provision of law, the Di-
6 rector of the Federal Emergency Management Agency
7 may employ such additional staff as may be necessary to
8 carry out all of the responsibilities of the Director pursu-
9 ant to this Act, the amendments made by this Act, and
10 the national flood insurance program. There are author-
11 ized to be appropriated to Director such sums as may be
12 necessary for costs of employing such additional staff.

13 **SEC. 29. PLAN TO VERIFY MAINTENANCE OF FLOOD INSUR-**
14 **ANCE ON MISSISSIPPI AND LOUISIANA PROP-**
15 **ERTIES RECEIVING EMERGENCY SUPPLE-**
16 **MENTAL FUNDS.**

17 The Secretary of Housing and Urban Development
18 and the Director of the Federal Emergency Management
19 Agency shall jointly develop and implement a plan to
20 verify that persons receiving funds under the Homeowner
21 Grant Assistance Program of the State of Mississippi or
22 the Road Home Program of the State of Louisiana from
23 amounts allocated to the State of Mississippi or the State
24 of Louisiana, respectively, from the Community develop-
25 ment fund under the Emergency Supplemental Appropria-

1 tions Act to Address Hurricanes in the Gulf of Mexico and
2 Pandemic Influenza, 2006 (Public Law 109–148) are
3 maintaining flood insurance on the property for which
4 such persons receive such funds as required by each such
5 Program.

6 **SEC. 30. FLOOD INSURANCE ADVOCATE.**

7 Chapter II of the National Flood Insurance Act of
8 1968 is amended by inserting after section 1330 (42
9 U.S.C. 4041) the following new section:

10 **“SEC. 1330A. OFFICE OF THE FLOOD INSURANCE ADVOCATE.**
11 **CATE.**

12 “(a) ESTABLISHMENT OF POSITION.—

13 “(1) IN GENERAL.—There shall be in the Fed-
14 eral Emergency Management Agency an Office of
15 the Flood Insurance Advocate which shall be headed
16 by the National Flood Insurance Advocate. The Na-
17 tional Flood Insurance Advocate shall report directly
18 to the Director and shall, to the extent amounts are
19 provided pursuant to subsection (f), be compensated
20 at the same rate as the highest rate of basic pay es-
21 tablished for the Senior Executive Service under sec-
22 tion 5382 of title 5, United States Code, or, if the
23 Director so determines, at a rate fixed under section
24 9503 of such title.

1 “(2) APPOINTMENT.—The National Flood In-
2 surance Advocate shall be appointed by the Director,
3 and without regard to the provisions of title 5,
4 United States Code, relating to appointments in the
5 competitive service or the Senior Executive Service.

6 “(3) QUALIFICATIONS.—An individual ap-
7 pointed under paragraph (2) shall have a back-
8 ground in customer service as well as insurance.

9 “(4) STAFF.—To the extent amounts are pro-
10 vided pursuant to subsection (f), the National Flood
11 Insurance Advocate may employ such personnel as
12 may be necessary to carry out the duties of the Of-
13 fice.

14 “(b) FUNCTIONS OF OFFICE.—

15 “(1) IN GENERAL.—It shall be the function of
16 the Office of the Flood Insurance Advocate to—

17 “(A) assist insureds under the national
18 flood insurance program in resolving problems
19 with the Federal Emergency Management
20 Agency relating to such program;

21 “(B) identify areas in which such insureds
22 have problems in dealings with the Agency re-
23 lating to such program;

1 “(C) identify potential legislative, adminis-
2 trative, or regulatory changes which may be ap-
3 propriate to mitigate such problems;

4 “(D) assist communities and homeowners
5 with interpreting, implementing, and appealing
6 floodplain maps and floodplain map determina-
7 tions;

8 “(E) facilitate the sharing of the best-prac-
9 tices of the Federal Emergency Management
10 Agency amongst all offices of the Agency with
11 respect to the creation and updating of flood-
12 plain maps;

13 “(F) not less than one year after receipt of
14 a request from a community, perform an eco-
15 nomic impact analysis for such community on
16 the economic impact of floodplain maps and
17 floodplain map determinations on small busi-
18 nesses, lending, real estate development, and
19 other economic indicators within such commu-
20 nity;

21 “(G) establish a national arbitration panel
22 regarding flood map modernization, with panel
23 members consisting of experts in flood insur-
24 ance, flood map determination, real estate de-
25 velopment, structural engineering, and other

1 such experts, including a representative from
2 the Federal Emergency Management Adminis-
3 tration, to allow individuals or communities im-
4 pacted by a flood map revision to challenge
5 such a revision; such panel may, under such
6 terms and conditions it may establish, tempo-
7 rarily suspend implementation of a floodplain
8 map pending such panel’s review of evidence
9 submitted by such individuals or communities
10 as part of such challenge;

11 “(H) establish a process under which sci-
12 entific and engineering data, including maps
13 and an explanation of how the Director makes
14 a determination regarding a map revision, will
15 be made publicly available to any interested in-
16 dividuals to be impacted by a flood map revi-
17 sion;

18 “(I) establish a process under which each
19 community to be impacted by a flood map revi-
20 sion will be provided an open community forum
21 to consult with and ask questions of representa-
22 tives of the Federal Emergency Management
23 Administration; and

1 “(J) identify ways to assist communities in
2 efforts to fund the accreditation of flood protec-
3 tion systems.

4 “(2) ANNUAL REPORTS.—

5 “(A) ACTIVITIES.—Not later than Decem-
6 ber 31 of each calendar year, the National
7 Flood Insurance Advocate shall report to the
8 Committee on Financial Services of the House
9 of Representatives and the Committee on Bank-
10 ing, Housing, and Urban Affairs of the Senate
11 on the activities of the Office of the Flood In-
12 surance Advocate during the fiscal year ending
13 during such calendar year. Any such report
14 shall contain full and substantive analysis, in
15 addition to statistical information, and shall—

16 “(i) identify the initiatives the Office
17 of the Flood Insurance Advocate has taken
18 on improving services for insureds under
19 the national flood insurance program and
20 responsiveness of the Federal Emergency
21 Management Agency with respect to such
22 program;

23 “(ii) identify areas of the law or regu-
24 lations relating to the national flood insur-
25 ance program that impose significant com-

1 pliance burdens on such insureds or the
2 Federal Emergency Management Agency,
3 including specific recommendations for
4 remedying these problems; and

5 “(iii) include such other information
6 as the National Flood Insurance Advocate
7 may deem advisable.

8 “(B) DIRECT SUBMISSION OF REPORT.—
9 Each report required under this paragraph
10 shall be provided directly to the committees
11 identified in subparagraph (A) without any
12 prior review or comment from the Director, the
13 Secretary of Homeland Security, or any other
14 officer or employee of the Federal Emergency
15 Management Agency or the Department of
16 Homeland Security, or the Office of Manage-
17 ment and Budget.

18 “(c) FUNDING.—Pursuant to section 1310(a)(4), the
19 Director may use amounts from the National Flood Insur-
20 ance Fund to fund the activities of the Office of the Flood
21 Advocate in each of fiscal years 2012 through 2017, ex-
22 cept that the amount so used in each such fiscal year may
23 not exceed \$5,000,000 and shall remain available until ex-
24 pended. Notwithstanding any other provision of this title,
25 amounts made available pursuant to this subsection shall

1 not be subject to offsetting collections through premium
2 rates for flood insurance coverage under this title.”.

3 **SEC. 31. TREATMENT OF PREVIOUSLY MAPPED AREAS.**

4 Section 1360 of the National Flood Insurance Act of
5 1968 (42 U.S.C. 4101) is amended by adding at the end
6 the following new subsection:

7 “(k) TREATMENT OF PREVIOUSLY MAPPED
8 AREAS.—If the Director issues a letter of map revision
9 for an area or a portion of an area to correct an error
10 in a recently issued flood insurance rate map and such
11 letter results in the designation of such area as not having
12 special flood hazards, the Director shall reexamine the
13 designation of any areas bordering or abutting the area
14 that was the subject of such letter if such areas are located
15 within a special flood hazard area. The Director shall in-
16 form the community and residents within such area of the
17 results of such examination no later than one year after
18 the date of the initial letter of map revision.”.

19 **SEC. 32. REMAPPING OF AREAS WITH IMPROVED LEVEES.**

20 Section 1360 of the National Flood Insurance Act of
21 1968 (42 U.S.C. 4101) is amended by adding at the end
22 the following new subsection:

23 “(l) REMAPPING OF AREAS WITH IMPROVED LEV-
24 EES.—If at any time any community, any State, the Army
25 Corps of Engineers, or any other entity improves any levee

1 system that protects any area that is located in an area
2 having special flood hazards and the Director determines
3 that such improvement mitigates flood risk in a manner
4 that eliminates the risk of flooding in the area, the Direc-
5 tor shall—

6 “(1) revise and update the floodplain areas and
7 flood risk zones, and the flood insurance maps re-
8 flecting such areas and zones, for the areas pro-
9 tected by such levee system so that any requirement
10 under the Flood Disaster Protection Act of 1973 for
11 mandatory purchase of flood insurance does not
12 apply to such area; and

13 “(2) make the updated maps and any informa-
14 tion regarding such updating available to the af-
15 fected communities.”.

16 **SEC. 33. APPEALS.**

17 (a) TELEVISION AND RADIO ANNOUNCEMENT.—Sec-
18 tion 1363 of the National Flood Insurance Act of 1968
19 (42 U.S.C. 4104) is amended—

20 (1) in subsection (a), by inserting after “deter-
21 minations” by inserting the following: “by notifying
22 a local television and radio station,”; and

23 (2) in the first sentence of subsection (b), by in-
24 serting before the period at the end the following:

1 “and shall notify a local television and radio station
2 at least once during the same 10-day period”.

3 (b) APPLICABILITY.—The amendments made by sub-
4 section (a) shall apply with respect to any flood elevation
5 determination for any area in a community that has not,
6 as of the date of the enactment of this Act, been issued
7 a Letter of Final Determination for such determination
8 under the flood insurance map modernization process.

9 **SEC. 34. ELIGIBILITY OF PROPERTY DEMOLITION AND RE-**
10 **BUILDING UNDER FLOOD MITIGATION AS-**
11 **SISTANCE PROGRAM.**

12 (a) FLOOD MITIGATION ASSISTANCE PROGRAM.—
13 Section 1366(e)(5)(B) of the National Flood Insurance
14 Act of 1968 (42 U.S.C. 4104c(e)(5)(B)) is amended by
15 striking “or floodproofing” and inserting “floodproofing,
16 or demolition and rebuilding of properties to at least base
17 flood elevation or greater, if required by any local ordi-
18 nance”.

19 (b) SENSE OF CONGRESS.—It is the sense of Con-
20 gress that section 1366 of the Flood Insurance Act of
21 1968 (42 U.S.C. 4104c), as in effect on the day before
22 the date of enactment of this Act, authorized the Adminis-
23 trator of the Federal Emergency Management Agency to
24 consider property demolition and rebuilding as eligible ac-
25 tivities under the Flood Mitigation Assistance Program.

1 The purpose of the amendment made by subsection (a)
2 is to clarify that such authority exists.

3 **SEC. 35. STUDY REGARDING MANDATORY PURCHASE RE-**
4 **QUIREMENT FOR NON-FEDERALLY RELATED**
5 **LOANS.**

6 (a) IN GENERAL.—The Comptroller General shall
7 conduct a study to assess the impact, effectiveness, and
8 feasibility of, and basis under the Constitution of the
9 United States for, amending the provisions of the Flood
10 Disaster Protection Act of 1973 regarding the properties
11 that are subject to the mandatory flood insurance coverage
12 purchase requirements under such Act to extend such re-
13 quirements to any property that is located in any area hav-
14 ing special flood hazards and which secures the repayment
15 of a loan that is not described in paragraph (1), (2), or
16 (3) of section 102(b) of such Act, and shall determine how
17 best to administer and enforce such a requirement, taking
18 into consideration other insurance purchase requirements
19 under Federal and State law.

20 (b) REPORT.—The Comptroller General shall submit
21 a report to the Congress regarding the results and conclu-
22 sions of the study under subsection (a) not later than the
23 expiration of the 6-month period beginning on the date
24 of the enactment of this Act.

1 **SEC. 36. STUDY OF METHODS TO INCREASE FLOOD INSUR-**
2 **ANCE PROGRAM PARTICIPATION BY LOW-IN-**
3 **COME FAMILIES AND FAMILIES IN RURAL**
4 **COMMUNITIES AND ON INDIAN RESERVA-**
5 **TIONS.**

6 (a) IN GENERAL.—The Comptroller General of the
7 United States shall conduct a study to identify and ana-
8 lyze potential methods, practices, and incentives that
9 would increase the extent to which low-income families (as
10 such term is defined in section 3(b) of the United States
11 Housing Act of 1937 (42 U.S.C. 1437a(b))), families re-
12 siding in rural communities, and families who reside on
13 Indian reservations, that own residential properties lo-
14 cated within areas having special flood hazards purchase
15 flood insurance coverage for such properties under the na-
16 tional flood insurance program. In conducting the study,
17 the Comptroller General shall analyze the effectiveness
18 and costs of the various methods, practices, and incentives
19 identified, including their effects on the national flood in-
20 surance program.

21 (b) REPORT.—The Comptroller General shall submit
22 to the Congress a report setting forth the conclusions of
23 the study under this section not later than 12 months
24 after the date of the enactment of this Act.

1 **SEC. 37. REPORT ON INCLUSION OF BUILDING CODES IN**
2 **FLOODPLAIN MANAGEMENT CRITERIA.**

3 Not later than the expiration of the 6-month period
4 beginning on the date of the enactment of this Act, the
5 Administrator of the Federal Emergency Management
6 Agency shall conduct a study and submit a report to the
7 Committee on Financial Services of the House of Rep-
8 resentatives and the Committee on Banking, Housing, and
9 Urban Affairs of the Senate regarding the impact, effec-
10 tiveness, and feasibility of amending section 1361 of the
11 National Flood Insurance Act of 1968 (42 U.S.C. 4102)
12 to include widely used and nationally recognized building
13 codes as part of the floodplain management criteria devel-
14 oped under such section, and shall determine—

15 (1) the regulatory, financial, and economic im-
16 pacts of such a building code requirement on home-
17 owners, States and local communities, local land use
18 policies, and the Federal Emergency Management
19 Agency;

20 (2) the resources required of State and local
21 communities to administer and enforce such a build-
22 ing code requirement;

23 (3) the effectiveness of such a building code re-
24 quirement in reducing flood-related damage to build-
25 ings and contents;

1 (4) the impact of such a building code require-
2 ment on the actuarial soundness of the National
3 Flood Insurance Program;

4 (5) the effectiveness of nationally recognized
5 codes in allowing innovative materials and systems
6 for flood-resistant construction;

7 (6) the feasibility and effectiveness of providing
8 an incentive in lower premium rates for flood insur-
9 ance coverage under such Act for structures meeting
10 whichever of such widely used and nationally recog-
11 nized building code or any applicable local building
12 code provides greater protection from flood damage;

13 (7) the impact of such a building code require-
14 ment on rural communities with different building
15 code challenges than more urban environments; and

16 (8) the impact of such a building code require-
17 ment on Indian reservations.

18 **SEC. 38. STUDY ON REPAYING FLOOD INSURANCE DEBT.**

19 Not later than the expiration of the 6-month period
20 beginning on the date of the enactment of this Act, the
21 Administrator of the Federal Emergency Management
22 Agency shall submit a report to the Congress setting forth
23 a plan for repaying within 10 years all amounts, including
24 any amounts previously borrowed but not yet repaid, owed
25 pursuant to clause (2) of subsection (a) of section 1309

1 of the National Flood Insurance Act of 1968 (42 U.S.C.
2 4016(a)(2)).

3 **SEC. 39. STUDY REGARDING CERTAIN HARBOR AREAS.**

4 (a) STUDY.—The Administrator of the Federal
5 Emergency Management Agency shall carry out a study
6 to identify the impacts of the National Flood Insurance
7 Program on harbor areas that are working waterfronts,
8 which shall—

9 (1) identify the models and assumptions used
10 under such program with respect to wave action in
11 working waterfronts and harbors;

12 (2) determine whether these are the same mod-
13 els and assumptions used for open or unprotected
14 coast lines;

15 (3) identify the assumptions used under such
16 program in modeling V-zones;

17 (4) identify the underlying basis for projected
18 impact of waves on working waterfronts;

19 (5) identify the frequency with which individual
20 working waterfronts receive revised flood-risk based
21 on the data they provide;

22 (6) determine the feasibility of basing flood
23 maps for such working waterfronts on actual histor-
24 ical flood and damage data;

1 (7) identify the standards for construction and
2 design of working waterfront infrastructure that
3 would be needed to safely develop commercial build-
4 ings in the V-zone;

5 (8) determine the economic impacts of the Na-
6 tional Flood Insurance Program on working water-
7 fronts and working waterfront dependant businesses;

8 (9) identify any new or alternative models that
9 may be used to more accurately reflect the risk of
10 flooding in working waterfronts and harbor environ-
11 ments;

12 (10) review the current coastal flood insurance
13 study guidelines and recommended methodologies;

14 (11) determine whether methodologies other
15 than those referred to in paragraph (10) should be
16 applied with respect to complicated harbors and
17 open shorelines;

18 (12) review where 2-D ST Wave methodology
19 should be applied and where other methodologies
20 should be applied;

21 (13) review available data on wave attenuation
22 through pilings and piers and determine whether a
23 physical model for the attenuation of waves in that
24 environment can be undertaken to derive such data;
25 and

1 (14) include any other information the Adminis-
2 trator considers relevant to evaluating the flood risk
3 and insurance challenges facing working waterfronts.

4 (b) REPORT.—Not later than 180 days after the date
5 of the enactment of this Act, the Administrator shall sub-
6 mit to the Congress a report setting forth the results and
7 conclusions of the study, including—

8 (1) a description of all of the matters identified
9 and determined pursuant to subsection (a); and

10 (2) an analysis of the feasibility of developing
11 a sheltered harbor flood zone for purposes of the
12 National Flood Insurance Program that specifically
13 recognizes the unique challenges faced by working
14 waterfronts and built-up harbors.

15 (c) DEFINITION.—In this section, the term “working
16 waterfront” means real property (including support struc-
17 tures over water and other facilities) that provides access
18 to coastal waters to persons engaged in commercial fish-
19 ing, recreational fishing business, boatbuilding, aqua-
20 culture, or other water-dependent coastal-related business
21 and is used for, or that supports, commercial fishing, rec-
22 reational fishing, boatbuilding, aquaculture, or other
23 water-dependent coastal-related business.

1 **SEC. 40. STUDY REGARDING HAZARD MODELING.**

2 The Administrator of the Federal Emergency Man-
3 agement Agency shall conduct a study to identify and as-
4 sess the impacts, including short-term and long-term im-
5 pacts, of significant flooding events and subsequent revi-
6 sions of hazard modeling and mapping since January 1,
7 2000, on the financial soundness of the national flood in-
8 surance program. The Administrator may enter into an
9 agreement with Water Resources Research Institutes to
10 conduct the study under this section. The Administrator
11 shall provide for a final report regarding the study to be
12 submitted to the Congress not later than the expiration
13 of the 16-month period beginning on the date of the enact-
14 ment of this Act. The report may include recommenda-
15 tions of the Administrator with respect to revising hazard
16 modeling and mapping.

17 **SEC. 41. STUDY REGARDING IMPACT OF RATE INCREASES**
18 **ON PRE-FIRM PROPERTIES.**

19 (a) IN GENERAL.—The Comptroller General of the
20 United States shall conduct a study to assess the impacts
21 of implementing provisions regarding pre-FIRM prop-
22 erties (as such term is defined in section 578(b) of the
23 National Flood Insurance Reform Act of 1994 (42 U.S.C.
24 4014)), including the impact on the program participation
25 rate among owners, renters, and tenants of non-primary
26 residences or commercial nonresidential properties. In

1 conducting the study, the Comptroller General shall ana-
2 lyze the cost effectiveness and effect on local government
3 tax base of various options, including an option of imple-
4 menting such provisions on the severe repetitive loss prop-
5 erties only.

6 (b) REPORT.—The Comptroller General shall submit
7 a report to Congress regarding the results and conclusions
8 of the study under subsection (a) not later than the expi-
9 ration of the 9-month period beginning on the date of en-
10 actment of this Act.

11 **SEC. 42. STUDY OF EFFECTS OF ACT.**

12 (a) STUDY.—The Administrator of the Federal
13 Emergency Management Agency shall conduct a study to
14 identify and assess the impacts, including short-term and
15 long-term impacts, of this Act and the amendments made
16 by this Act on the financial soundness of the national flood
17 insurance program.

18 (b) REPORT.—Not later than 12 months after the
19 date of the enactment of this Act, the Administrator shall
20 submit a report to the Congress setting forth the results
21 and conclusions of study under subsection (a), which shall
22 include specific recommendations for actions to mitigate
23 against any negative financial impacts resulting from this
24 Act and the amendments made by this Act that could in-
25 crease the debt of the national flood insurance program.

1 **SEC. 45. STUDY ON PRIVATE INSURANCE MARKET, COMMU-**
2 **NITY PARTICIPATION IN THE NATIONAL**
3 **FLOOD INSURANCE PROGRAM, AND THE RE-**
4 **GIONALIZATION OF THE NATIONAL FLOOD**
5 **INSURANCE PROGRAM.**

6 (a) **STUDY.**—The Comptroller General shall conduct
7 a study on—

8 (1) ways that the private insurance market can
9 contribute to insuring against flood damage;

10 (2) the impact on the National Flood Insurance
11 Program if communities decide not to participate in
12 the Program; and

13 (3) the feasibility of regionalizing the National
14 Flood Insurance Program and ensuring that there is
15 no cross-subsidization between regions under such
16 Program.

17 (b) **REPORT.**—Not later than one year after the date
18 of the enactment of this Act, the Comptroller General shall
19 submit to Congress a report containing the results of the
20 study conducted under subsection (a).

21 **SEC. 46. ETHICS COMPLIANCE.**

22 All funds authorized under this Act or any amend-
23 ment made by this Act shall be expended in a manner
24 that is consistent with the manual on Standards of Ethical
25 Conduct for Employees of the Executive Branch.

