115TH CONGRESS  
1ST SESSION  

S. ______

To reauthorize the National Flood Insurance Program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. CASSIDY (for himself and Mrs. GILLIBRAND) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To reauthorize the National Flood Insurance 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.

4 This Act may be cited as the “Flood Insurance Af-
5 fordability and Sustainability Act of 2017”.

6 SEC. 2. TABLE OF CONTENTS.

7 The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Definitions.
Sec. 4. Extension of national flood insurance program.
TITLE I—ENHANCING THE SOLVENCY AND SUSTAINABILITY OF THE NATIONAL FLOOD INSURANCE PROGRAM

Sec. 101. Risk transfer.

TITLE II—ENHANCING FLOOD INSURANCE AFFORDABILITY AND ACCESSIBILITY

Sec. 201. Use of premium surcharges.
Sec. 202. Disclosure with respect to the affordability standard.
Sec. 203. Increased cost of compliance.
Sec. 204. Elevation certificates.
Sec. 205. Mitigation provisions.
Sec. 206. Home structure values.
Sec. 207. Affordability vouchers.
Sec. 208. Coverage limits.

TITLE III—AGREED VALUE PILOT PROGRAM

Sec. 301. Short title.
Sec. 302. Definitions.
Sec. 303. Agreed Value Flood Protection Program.
Sec. 304. Use of agreed value flood protection to satisfy requirement to purchase flood insurance to receive a mortgage loan.
Sec. 305. Agreed Value Flood Protection Program Reserve Fund.
Sec. 306. Rule of construction.

TITLE IV—PROVIDING PRIVATE MARKET ACCESS, ACCOUNTABILITY, AND COMPETITION

Sec. 401. Use of private flood insurance to satisfy mandatory purchase requirement.
Sec. 402. Provision of private flood insurance by Write Your Own companies.
Sec. 403. Availability of NFIP claims data.
Sec. 404. Fees and surcharges for private flood insurance policies.
Sec. 405. Pilot program.

TITLE V—MODERNIZING FLOOD MAPPING AND FLOOD RISK ACCURACY

Sec. 501. Reauthorization of National Flood Mapping Program.
Sec. 502. Mapping standards and guidelines for nongovernmental entities.
Sec. 503. Use of high-resolution mapping technology.
Sec. 504. Protected areas.
Sec. 505. Coastal flood models.

TITLE VI—ENHANCING NATIONAL FLOOD INSURANCE PROGRAM TRANSPARENCY AND ACCOUNTABILITY

Sec. 601. Deadline for approval of claims.
Sec. 602. Flood insurance transparency, accountability, and reform.
Sec. 603. Reports to Congress.

1 SEC. 3. DEFINITIONS.

2 In this Act—
(1) the term “Administrator” means the Administrator of the Federal Emergency Management Agency;

(2) the terms “Federal flood insurance” and “private flood insurance” have the meanings given those terms in section 102(b)(7) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(b)(7)), as amended by section 401(a)(1) of this Act;

(3) the term “mandatory purchase requirement” means the requirement under subsections (a) and (b) of section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a), as amended by section 401 of this Act, to have flood insurance coverage;

(4) the term “National Flood Insurance Program” means the program established under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.);

(5) the term “Write Your Own company” means a company that participates in the Write Your Own Program; and

(6) the term “Write Your Own Program” means the cooperative undertaking between the insurance industry and the Federal Insurance and
Mitigation Administration that allows participating
property and casualty insurance companies to write
and service standard flood insurance policies.

SEC. 4. EXTENSION OF NATIONAL FLOOD INSURANCE PRO-
GRAM.

(a) FINANCING.—Section 1309(a) of the National
Flood Insurance Act of 1968 (42 U.S.C. 4016(a)) is
amended, in the first sentence, by striking “September 30,
2017” and inserting “September 30, 2027”.

(b) PROGRAM EXPIRATION.—Section 1319 of the Na-
tional Flood Insurance Act of 1968 (42 U.S.C. 4026) is
amended by striking “September 30, 2017” and inserting
“September 30, 2027”.

TITLE I—ENHANCING THE SOL-
VENCY AND SUSTAINABILITY
OF THE NATIONAL FLOOD IN-
SURANCE PROGRAM

SEC. 101. RISK TRANSFER.

Section 1345 of the National Flood Insurance Act of
1968 (42 U.S.C. 4081) is amended by striking subsection
(e) and inserting the following:

“(e) RISK TRANSFER.—

“(1) IN GENERAL.—The Administrator shall
annually transfer a portion of the risk associated
with the flood insurance program to the private reinsurance or capital markets—

“(A) at rates and on terms determined by the Administrator to be reasonable and appropriate; and

“(B) in an amount sufficient to—

“(i) maintain the ability of the program to pay claims; and

“(ii) limit the exposure of the program to potential catastrophic losses from extreme events.

“(2) FORMS OF TRANSFER.—In carrying out paragraph (1), the Administrator shall consider all forms of risk transfer, including traditional reinsurance, catastrophe bonds, collateralized reinsurance, resilience bonds, and other insurance-linked securities, in order to—

“(A) maximize pricing competition and the diversity of sources of capital; and

“(B) secure the best value for the flood insurance program.”.
TITLED II—ENHANCING FLOOD INSURANCE AFFORDABILITY AND ACCESSIBILITY

SEC. 201. USE OF PREMIUM SURCHARGES.

Chapter I of the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.) is amended—

(1) in section 1308A (42 U.S.C. 4015a)—

(A) by redesignating subsection (c) as subsection (d);

(B) by inserting after subsection (b) the following:

````(c) USE OF SURCHARGES.—The Administrator shall use any surcharge imposed and collected under subsection (a) to help fund flood mitigation programs, including the Predisaster Hazard Mitigation Program under section 203 of the Robert T. Stafford Disaster Assistance and Emer-```y Relief Act (42 U.S.C. 5133) and the program estab-lished under section 1366.”’’; and

(C) in subsection (d), as so redesignated, by striking “Subsections (a) and (b)” and in-serting “Subsections (a) through (c)”;

(2) in section 1310A(e) (42 U.S.C. 4017A(e)), by striking paragraph (4).
SEC. 202. DISCLOSURE WITH RESPECT TO THE AFFORDABILITY STANDARD.

Section 1308(j) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(j)) is amended, in the second sentence, by inserting “and shall include in the report the number of those exceptions as of the date on which the Administrator submits the report and the location of each policyholder insured under those exceptions, organized by county and State” after “of the Senate”.

SEC. 203. INCREASED COST OF COMPLIANCE.

(a) INCREASE IN LIMITATION ON LIABILITY.—Not later than 180 days after the date of enactment of this Act, the Administrator shall amend the Standard Flood Insurance Policy set forth in Appendix A(1) to part 61 of title 44, Code of Federal Regulations, to—

(1) increase the limitation on liability relating to “Coverage D—Increased Cost of Compliance” from $30,000 to $75,000; and

(2) provide that 50 percent of the amount described in paragraph (1) shall be available to the insured without regard to whether making that amount available to the insured would exceed the overall policy limit of the insured.

(b) ELIGIBILITY ITEMS.—Section 1304(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4011(b)) is amended—
(1) in paragraph (3), by striking “compliance with the land use and control measures.” and inserting “the implementation of such measures; and”;

(2) in paragraph (4), by redesignating subparagraphs (A) through (D) as clauses (i) through (iv), respectively, and adjusting the margins accordingly;

(3) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively, and adjusting the margins accordingly;

(4) in the matter preceding subparagraph (A), as so redesignated, by striking “cover the cost of implementing measures that are consistent with land use and control measures established by the community under section 1361 for” and inserting “cover the cost of—

“(1) implementing measures that are consistent with land use and control measures established by the community under section 1361 for”;

(5) in paragraph (1), as so designated—

(A) in subparagraph (C), as so redesignated, by striking the period at the end and inserting “; and”; and

(B) in subparagraph (D)(iv), as so redesignated, by striking the period at the end and inserting “; or”; and
(6) by inserting after paragraph (1)(D)(iv), as so redesignated, the following:

“(2) any eligible activity under the Predisaster Hazard Mitigation Program under section 203 of the Robert T. Stafford Disaster Assistance and Emergency Relief Act (42 U.S.C. 5133).”.

SEC. 204. ELEVATION CERTIFICATES.

Chapter I of the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.) is amended by adding at the end the following:

“SEC. 1326. PREMIUM CREDIT TO OFFSET THE COST OF OBTAINING AN ELEVATION CERTIFICATE.

“The Administrator may offer a policyholder under the national flood insurance program a 1-time credit of $500 with respect to a premium paid by the policyholder under the program in order to offset the cost incurred by the policyholder in obtaining a National Flood Insurance Program Elevation Certificate.”.

SEC. 205. MITIGATION PROVISIONS.

(a) Mitigation Strategies.—Section 1361(d)(1) of the National Flood Insurance Act of 1968 (42 U.S.C. 4102(d)(1)) is amended—

(1) in subparagraph (A), by striking “and” at the end;
(2) in subparagraph (B), by striking “and” at the end; and
(3) by inserting after subparagraph (B) the following:

“(C) with respect to buildings in dense urban environments, methods that can be deployed on a block or neighborhood scale; and
“(D) elevation of mechanical systems; and”.

(b) MITIGATION CREDIT.—Section 1308(k) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(k)) is amended—
(1) by striking “shall take into account” and inserting “shall—
“(1) take into account”;
(2) in paragraph (1), as so designated, by striking the period at the end and inserting “; and”; and
(3) by adding at the end the following:
“(2) offer a reduction of the risk premium rate charged to a policyholder in an amount that is not less than 10 percent of that rate if the policyholder implements any mitigation method described in paragraph (1).”.

(c) COVERAGE FOR COOPERATIVES.—
(1) IN GENERAL.—Section 1306 of the National Flood Insurance Act of 1968 (42 U.S.C. 4013) is amended by adding at the end the following:

“(e) COOPERATIVES.—

“(1) DEFINITION.—In this subsection, the term ‘cooperative building’ has the meaning given the term in section 1312(d).

“(2) EQUAL TREATMENT WITH CONDOMINIUMS.—Notwithstanding any other provision of law, an owner of a share of a cooperative building shall be eligible to purchase flood insurance coverage under the national flood insurance program on the same terms as a condominium owner.”.

(2) PAYMENT OF CLAIMS.—Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019) is amended—

(A) in subsection (e)—

(i) in the subsection heading, by inserting “AND COOPERATIVE” after “CONDOMINIUM”;

(ii) by inserting “or owners of a share of a cooperative building” after “condominium owners”; and
(iii) by inserting “or cooperative association” after “condominium association” each place that term appears; and

(B) by adding at the end the following:

“(d) DEFINITIONS.—In this section, the terms ‘cooperative association’ and ‘cooperative building’ have the meanings given the terms by the Administrator.”.

SEC. 206. HOME STRUCTURE VALUES.

(a) STUDY AND REPORT.—

(1) STUDY.—The Administrator shall conduct a study, the purpose of which shall be to—

(A) evaluate best practices in the insurance industry for risk rating and classification, including practices that consider replacement cost value when estimating premium rates; and

(B) with respect to the estimates made by the Administrator under section 1307(a)(1) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(a)(1)), as in effect on the day before the date of enactment of this Act—

(i) assess options, methods, and strategies for including replacement cost value in the estimates;
(ii) identify recommendations for including replacement cost value in the estimates;

(iii) identify an appropriate methodology by which replacement cost value could be incorporated into the estimates; and

(iv) develop a feasible implementation plan and projected timeline for including replacement cost value in the estimates.

(2) REPORT.—Not later than 18 months after the date of enactment of this Act, the Administrator shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report that contains—

(A) the results of the study conducted under paragraph (1) (referred to in this paragraph as “the study”);

(B) an analysis of the recommendations made by the study and the impacts that those recommendations would have on the National Flood Insurance Program, including cost considerations;
(C) a description of actions taken by the Administrator to implement the recommendations made by the study;

(D) a list of any recommendations made by the study that, as of the date on which the Administrator submits the report, the Administrator has deferred or upon which the Administrator has not acted; and

(E) an explanatory statement with respect to each recommendation described in subparagraph (D).

(b) IMPLEMENTATION.—

(1) IN GENERAL.—Section 1307(a)(1)(A) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(a)(1)(A)) is amended—

(A) in clause (i), by striking “and” at the end;

(B) in clause (ii), by striking “, and” and inserting “; and”; and

(C) by adding at the end the following:

“(iii) the replacement cost value of an insured structure when determining underinsurance loading factors, consistent with the requirements of section 1308(e) and taking into account the results of the study
conducted under section 206(a)(1) of the Flood Insurance Affordability and Sustainability Act of 2017; and”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on the date that is 1 year after the date on which the Administrator submits the report under subsection (a)(2).

SEC. 207. AFFORDABILITY VOUCHERS.

Chapter I of the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.), as amended by section 204 of this Act, is amended by adding at the end the following:

“SEC. 1327. AFFORDABILITY VOUCHERS.

“(a) DEFINITIONS.—In this section—

“(1) the term ‘area median income’ means, with respect to an area, the area median income for the area, as defined for the applicable year by the Secretary of Housing and Urban Development;

“(2) the term ‘covered expenses’ means, with respect to a household, the total amount that the household spends in a year on—

“(A) mortgage payments;

“(B) property taxes;

“(C) homeowners insurance; and

“(D) flood insurance premiums and fees;

and
“(3) the term ‘eligible household’ means an owner-occupied household—

“(A) that has a total household income that is less than 165 percent of the area median income for the area in which the household is located;

“(B) for which the cost of flood insurance premiums and fees in a year would result in covered expenses in an amount that is more than 40 percent of the total household income of the household for that year; and

“(C) that—

“(i) renews an existing flood insurance policy; or

“(ii) is required to purchase flood insurance because of a revision of, or an update to, a floodplain area or flood risk zone that is identified, delineated, or established under section 1360.

“(b) VOUCHERS.—The Administrator shall provide a voucher to an eligible household in accordance with subsection (c) to offset the cost of flood insurance for the eligible household for a year if the amount of the covered expenses of the eligible household for that year is greater
than 40 percent of the total household income of the eligi-
ble household for that year.

“(c) CALCULATION.—

“(1) An eligible household that has a total
household income that is not greater than 80 per-
cent of area median income shall receive a voucher
in an amount that is equal to 100 percent of the
amount that the eligible household is required to pay
in flood insurance premiums and fees for the year in
which the eligible household receives the voucher.

“(2) An eligible household that has a total
household income that is greater than 80 percent of
area median income and not greater than 120 per-
cent of area median income shall receive a voucher
in an amount that is equal to 80 percent of the
amount that the eligible household is required to pay
in flood insurance premiums and fees for the year in
which the eligible household receives the voucher.

“(3) An eligible household that has a total
household income that is greater than 121 percent
of area median income and less than 165 percent of
area median income shall receive a voucher in an
amount that is equal to 60 percent of the amount
that the eligible household is required to pay in flood
insurance premiums and fees for the year in which
the eligible household receives the voucher.”.

SEC. 208. COVERAGE LIMITS.

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

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) in clause (i)—

(I) by striking “$35,000” and inserting “$500,000”; and

(II) by striking “$100,000” and inserting “$500,000”;

(ii) in clause (ii), by striking “$10,000” and inserting “$500,000”; and

(iii) in clause (iii)—

(I) by striking “$50,000” and inserting “$500,000”; and

(II) by striking “$150,000” and inserting “$500,000”;

(B) in subparagraph (B), by striking “$100,000” each place that term appears and inserting “$500,000”; and

(C) in subparagraph (C)—
(i) in clause (i), by striking 
   “$100,000” and inserting “$500,000”;

and

(ii) in clause (ii), by striking 
   “$100,000” and inserting “$500,000”;

(2) in paragraph (2), by striking “$250,000” 
   and inserting “$500,000”;

(3) in paragraph (3), by striking “$100,000” 
   and inserting “$500,000”; and

(4) in paragraph (4), by striking “$500,000” 
   each place that term appears and inserting 
   “$1,000,000”.

TITLE III—AGREED VALUE 
PILOT PROGRAM

SEC. 301. SHORT TITLE. 

This title may be cited as the “Agreed Value Flood 
Protection Program Act of 2017”.

SEC. 302. DEFINITIONS. 

In this title—

(1) the term “agreed value flood protection pol-
icy” means a flood protection policy providing that, 
if a flood occurs, the National Flood Insurance Pro-
gram will make payments according to agreed sched-
ules of payments determined by flood height in cov-
ered structures participating in the Program;
(2) the term “catastrophic loss year” means a year in which the combined ratio is not less than 130 percent;

(3) the term “combined ratio” means the quotient obtained when the sum obtained by adding the losses paid under the National Flood Insurance Program in a year and the expenses of the National Flood Insurance Program in that year is divided by the total amount of premiums collected under the National Flood Insurance Program in that year;

(4) the term “covered agent” means any insurance agent, producer, or intermediary licensed by a State;

(5) the term “covered structure” means real property eligible for flood insurance coverage under the National Flood Insurance Program;

(6) the term “eligible participant” means a person that has demonstrated ownership of a covered structure;

(7) the term “flood height” means the distance between the high water mark and the top of the first floor of a covered structure, as measured or as determined by other appropriate methods;
the term “Program” means the Agreed Value Flood Protection Program established under section 303(a); and

(9) the term “Reserve Fund” means the Agreed Value Flood Protection Program Reserve Fund established under section 305(a).

SEC. 303. AGREED VALUE FLOOD PROTECTION PILOT PROGRAM.

(a) IN GENERAL.—The Administrator may establish and carry out an optional Agreed Value Flood Protection Pilot Program for the 8-year period beginning on the date of enactment of this Act, under which—

(1) an eligible participant may purchase an agreed value flood protection policy to protect against losses resulting from physical damage to, or loss of, a covered structure, including any personal property related thereto, owned by the eligible participant arising from a flood occurring in the United States during the period for which the policy is in force;

(2) a covered agent may issue an agreed value flood protection policy to an eligible participant; and

(3) an eligible participant may not be denied the opportunity to purchase an agreed value flood
protection policy solely on the basis of the geographic location of the eligible participant.

(b) Eligibility.—In order to purchase an agreed value flood protection policy, an eligible participant shall demonstrate that the value of the covered structure to be covered under the policy, including any contents within the covered structure, is not less than the coverage amount of the policy.

(e) Issuance.—Any covered agent may issue an agreed value flood protection policy to an eligible participant under the Program.

(d) Write Your Own.—The laws and regulations governing the Write Your Own Program shall not apply to the Program.

(e) Brochure.—

(1) In general.—The Administrator shall publish a brochure that compares the premium rates charged under the National Flood Insurance Program with the premium rates charged under the Program.

(2) Covered agents.—

(A) In general.—A covered agent shall explain to an eligible participant the risks associated with an agreed value flood protection pol-
icy before the eligible participant purchases a policy.

(B) DELIVERY.—If a covered agent delivers the brochure published under paragraph (1) to an eligible participant before the eligible participant purchases an agreed value flood protection policy, the delivery shall constitute prima facie evidence that the covered agent has satisfied the requirement under subparagraph (A).

(f) REPORT.—Not later than 1 year after the date on which the Program ends, the Administrator shall submit to Congress a report—

(1) containing data that was collected during the administration of the Program relating to underinsurance factors, claims statistics, claims disputes (including how such disputes were adjudicated), and actuarial rate reviews; and

(2) that compares premium rates charged under the Program with comparable premium rates charged under the standard flood insurance policy, controlling for comparable risk factors.
SEC. 304. USE OF AGREED VALUE FLOOD PROTECTION TO SATISFY REQUIREMENT TO PURCHASE FLOOD INSURANCE TO RECEIVE A MORTGAGE LOAN.

An agreed value flood protection policy shall satisfy the mandatory purchase requirement.

SEC. 305. AGREED VALUE FLOOD PROTECTION PROGRAM RESERVE FUND.

(a) Establishment of an Agreed Value Flood Protection Reserve Fund.—In carrying out the Program, the Administrator shall establish in the Treasury of the United States an Agreed Value Flood Protection Program Reserve Fund, which shall be—

(1) separate from any other accounts or funds available to the Administrator; and

(2) available for meeting the expected future obligations of the Program, including—

(A) the payment of claims during catastrophic loss years; and

(B) the repayment of amounts outstanding under any note or other obligation issued by the Administrator under section 1309(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4016(a)).

(b) Reserve Ratio.—Subject to the phase-in requirements under subsection (d), the Reserve Fund shall
maintain a balance that, together with any risk financing covering the Program, is an amount that is equal to—

1.5 percent of the sum of the total potential loss exposure of all outstanding agreed value flood protection policies in force during the prior fiscal year; or

(2) a higher percentage of the sum described in paragraph (1) that the Administrator determines to be appropriate, taking into consideration any circumstance that may raise a significant risk of substantial future losses to the Reserve Fund.

(c) MAINTENANCE OF RESERVE RATIO.—

(1) IN GENERAL.—The Administrator may establish, increase, or decrease the amount of aggregate annual policy charges to be collected for any fiscal year that are necessary in order to—

(A) maintain the amount required under subsection (b); and

(B) if the balance of the Reserve Fund is an amount that is less than the amount required under subsection (b), obtain the amount required under subsection (b).

(2) CONSIDERATIONS.—In exercising the authority under paragraph (1), the Administrator shall consider—
(A) the expected operating expenses of the Reserve Fund;

(B) the covered loss expenditures under the Program;

(C) any investment income generated under the Program; and

(D) any other factor that the Administrator determines appropriate.

(3) LIMITATION.—Notwithstanding any other provision of law or any agreement entered into by the Administrator, the Administrator shall ensure that all amounts attributable to the establishment or increase of annual policy charges under paragraph (1) are transferred to the Administrator for deposit into the Reserve Fund to be available for meeting the expected future obligations of the Program, as described in subsection (a)(2).

(d) PHASE-IN REQUIREMENTS.—The phase-in requirements under this subsection are as follows:

(1) IN GENERAL.—Beginning in fiscal year 2018, and in each successive fiscal year thereafter until the amount required under subsection (b) is obtained, the Administrator shall deposit in the Reserve Fund an amount that is not less than 10 percent of the amount required under subsection (b).
(2) AMOUNT SATISFIED.—Except as provided in paragraph (3), beginning on the date on which the amount required under subsection (b) is obtained, the Administrator shall not be required to set aside any amounts for the Reserve Fund.

(3) EXCEPTION.—If, at any time during any fiscal year after the amount required under subsection (b) is obtained, the amount in the Reserve Fund is less than the amount required under subsection (b), the Administrator shall deposit in the Reserve Fund during that fiscal year an amount that is not less than the lesser of—

(A) the difference between the amount required under subsection (b) and the amount in the Reserve Fund; or

(B) 10 percent of the amount required under subsection (b).

(e) LIMITATION ON RESERVE RATIO.—If, in any fiscal year, the Administrator determines that the amount required under subsection (b) cannot be obtained, the Administrator shall submit to Congress a report that—

(1) describes and details the specific concerns of the Administrator regarding the consequences of that amount not being obtained;
(2) demonstrates how the consequences described in paragraph (1) would harm the long-term financial soundness of the Program; and

(3) indicates the maximum attainable amount for that fiscal year.

(f) INVESTMENT.—The Secretary of the Treasury shall invest such amounts of the Reserve Fund as the Secretary determines advisable in obligations issued or guaranteed by the United States.

SEC. 306. RULE OF CONSTRUCTION.

Nothing in this title may be construed to—

(1) limit the National Flood Insurance Program, including the ability of a person to purchase flood insurance under the National Flood Insurance Program to satisfy the mandatory purchase requirement; or

(2) require a person to participate in the Program.

TITLE IV—PROVIDING PRIVATE MARKET ACCESS, ACCOUNTABILITY, AND COMPETITION

SEC. 401. USE OF PRIVATE FLOOD INSURANCE TO SATISFY MANDATORY PURCHASE REQUIREMENT.

(a) IN GENERAL.—

(1) Mandatory purchase requirement.—
(A) AMOUNT AND TERM OF COVERAGE.—

Section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) is amended by striking "SEC. 102. (A)" and all that follows through the end of subsection (a) and inserting the following:

"SEC. 102. (a) AMOUNT AND TERM OF COVERAGE.—

"(1) IN GENERAL.—Subject to paragraph (2), on and after the date that is 60 days after the date of enactment of this Act, no Federal officer or agency may approve any financial assistance for acquisition or construction purposes for use in any area that has been identified by the Administrator as an area having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.), unless the building or mobile home and any personal property to which the financial assistance relates is covered by flood insurance.

"(2) AMOUNT AND TERM.—

"(A) AMOUNT GENERALLY.—The amount of flood insurance required under paragraph (1)—

"(i) in the case of Federal flood insurance, shall be not less than the lesser of—
“(I) 80 percent of the purchase price of the property;

“(II) the development or project cost of the building, mobile home, or personal property (less estimated land cost);

“(III) the maximum limit of Federal flood insurance coverage made available with respect to the particular type of property; or

“(IV) for multi-unit structures only, the outstanding principal balance of the loan; or

“(ii) in the case of private flood insurance, shall be not less than the lesser of—

“(I) 80 percent of the purchase price of the property;

“(II) the development or project cost of the building, mobile home, or personal property (less estimated land cost);

“(III) the maximum limit of Federal flood insurance coverage made available with respect to the particular type of property; or
“(IV) for multi-unit structures only, the outstanding principal balance of the loan.

“(B) Loans and insured and guaranteed loans.—If the financial assistance described in paragraph (1) is in the form of a loan or an insurance or guaranty of a loan, flood insurance need not be required beyond the term of the loan.

“(C) Term generally.—The requirement of maintaining flood insurance under paragraph (1) shall apply during the life of the property, regardless of transfer of ownership of the property.”.

(B) Mortgage loans.—Section 102(b) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(b)) is amended—

(i) by striking paragraphs (1) through (5) and inserting the following:

“(1) Regulated lending institutions.—

“(A) In general.—Each Federal entity for lending regulation (after consultation and coordination with the Financial Institutions Examination Council established under section 1004 of the Federal Financial Institutions Ex-
amination Council Act of 1974 (12 U.S.C. 3303)) shall by regulation direct regulated lending institutions not to make, increase, extend, or renew any loan secured by improved real estate or a mobile home located or to be located in an area that has been identified by the Administrator as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.), unless the building or mobile home and any personal property securing the loan is covered for the term of the loan by flood insurance in an amount described in subparagraph (B).

“(B) AMOUNT.—The amount of flood insurance required under subparagraph (A)—

“(i) in the case of Federal flood insurance, shall be not less than the lesser of—

“(I) 80 percent of the purchase price of the property;

“(II) the maximum limit of Federal flood insurance coverage made available with respect to the particular type of property; or
“(III) for multi-unit structures only, the outstanding principal balance of the loan; or

“(ii) in the case of private flood insurance, shall be not less than the lesser of—

“(I) 80 percent of the purchase price of the property;

“(II) the maximum limit of Federal flood insurance coverage made available with respect to the particular type of property; or

“(III) for multi-unit structures only, the outstanding principal balance of the loan.

“(2) FEDERAL AGENCY LENDERS.—

“(A) IN GENERAL.—

“(i) INSURANCE REQUIRED.—A Federal agency lender may not make, increase, extend, or renew any loan secured by improved real estate or a mobile home located or to be located in an area that has been identified by the Administrator as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of
1968 (42 U.S.C. 4001 et seq.), unless the building or mobile home and any personal property securing the loan is covered for the term of the loan by flood insurance in accordance with paragraph (1).

“(ii) Regulations.—

“(I) In general.—Each Federal agency lender may issue any regulations necessary to carry out this paragraph.

“(II) Consistency.—Any regulations issued under subclause (I) shall be consistent with and substantially identical to any regulations issued under paragraph (1).

“(B) Requirement to accept flood insurance.—Each Federal agency lender shall accept flood insurance as satisfaction of the flood insurance coverage requirement under subparagraph (A)(i) if the flood insurance coverage meets the requirements for coverage under that subparagraph.

“(3) Government-sponsored enterprises for housing.—
“(A) IMPLEMENTATION OF PROCEDURES.—

“(i) REQUIREMENT.—The Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation shall implement procedures reasonably designed to ensure that, for any loan described in clause (ii) that is purchased or guaranteed by such entity, the building or mobile home and any personal property securing the loan is covered for the term of the loan by flood insurance in the amount provided in paragraph (1)(B).

“(ii) SECURED LOAN.—A loan described in this clause is a loan secured by improved real estate or a mobile home located in an area—

“(I) that has been identified, at the time of the origination of the loan or at any time during the term of the loan, by the Administrator as an area having special flood hazards; and

“(II) in which flood insurance is made available under the National
Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.).

“(B) ACCEPTABLE INSURANCE.—Subject to subparagraph (C), the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation shall accept flood insurance as satisfaction of the flood insurance coverage requirement under paragraph (1) if the flood insurance coverage provided meets the requirements for coverage under that paragraph and any requirements established by the Federal National Mortgage Association or the Federal Home Loan Corporation, respectively, relating to the financial strength of private insurance companies from which the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation will accept private flood insurance.

“(C) RELATION TO STATE LAW.—A requirement described in subparagraph (B) may not affect or conflict with any State law, regulation, or procedure concerning the regulation of the business of insurance.

“(4) APPLICABILITY.—
“(A) EXISTING COVERAGE.—Except as provided in subparagraph (B), paragraph (1) shall apply on the date of enactment of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4701 et seq.).

“(B) NEW COVERAGE.—Paragraphs (2) and (3) shall apply only with respect to any loan made, increased, extended, or renewed after the expiration of the 1-year period beginning on the date of enactment of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4701 et seq.). Paragraph (1) shall apply with respect to any loan made, increased, extended, or renewed by any lender supervised by the Farm Credit Administration only after the expiration of the period under this subparagraph.

“(C) CONTINUED EFFECT OF REGULATIONS.—Notwithstanding any other provision of this subsection, the regulations to carry out paragraph (1), as in effect immediately before the date of enactment of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4701 et seq.), shall con-
continue to apply until the regulations issued to carry out paragraph (1), as amended by section 522(a) of such Act, take effect.

“(5) RULE OF CONSTRUCTION.—

“(A) IN GENERAL.—Subject to subpara-

graph (B), nothing in this subsection shall be construed to supersede or limit the authority of a Federal entity for lending regulation, the Federal Housing Finance Agency, a Federal agency lender, the Federal National Mortgage Association, or the Federal Home Loan Mort-

gage Corporation to establish requirements re-

lating to the financial strength of private insur-

ance companies from which the entity or agency will accept private flood insurance.

“(B) RELATION TO STATE LAW.—A re-

quirement described in subparagraph (A) may not affect or conflict with any State law, regula-

tion, or procedure concerning the regulation of the business of insurance.”; and

(ii) by striking paragraph (7) and in-

serting the following:

“(7) DEFINITIONS.—In this section:

“(A) FEDERAL FLOOD INSURANCE.—The term ‘Federal flood insurance’ means an insur-
Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.).

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

“(i) Federal flood insurance; and

“(ii) private flood insurance.

“(C) PRIVATE FLOOD INSURANCE.—The term ‘private flood insurance’ means an insurance policy that—

“(i) is issued by an insurance company that is—

“(I) licensed, admitted, or otherwise approved to engage in the business of insurance in the State in which the insured building is located, by the insurance regulator of that State; or

“(II) eligible as a nonadmitted insurer to provide insurance in the home State of the insured, in accordance with sections 521 through 527 of the Nonadmitted and Reinsurance Reform Act of 2010 (15 U.S.C. 8201 through 8206);
“(ii) is issued by an insurance company that is not otherwise disapproved as a surplus lines insurer by the insurance regulator of the State in which the property to be insured is located; and

“(iii) provides flood insurance coverage that complies with the laws and regulations of that State.

“(D) STATE.—The term ‘State’ means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Northern Mariana Islands, the Virgin Islands, and American Samoa.”.

(2) Effect of private flood insurance coverage on continuous coverage requirements.—Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015) is amended by adding at the end the following:

“(n) Effect of Private Flood Insurance Coverage on Continuous Coverage Requirements.—For purposes of applying any statutory, regulatory, or administrative continuous coverage requirement, including under section 1307(g)(1), the Administrator shall consider any period during which a property was continuously cov-
(b) **Applicability of Expanded Private Flood Insurance Options.**—The amendments made by subsection (a) shall apply only with respect to a property that is described in subparagraphs (A) through (E) of section 1307(a)(2) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(a)(2)).

(c) **Report on Level of Perceived Adverse Selection.**—Not later than 2 years after the date of enactment of this Act, the Administrator shall submit to Congress a report on the extent to which, of the properties that are required to satisfy the mandatory purchase requirement, the properties for which private flood insurance is purchased tend to be at a lower risk of flooding than the properties for which Federal flood insurance is purchased (commonly referred to as “adverse selection”), by detailing risk classifications of private flood insurance policies.

**SEC. 402. PROVISION OF PRIVATE FLOOD INSURANCE BY WRITE YOUR OWN COMPANIES.**

The Administrator—

(1) on and after October 1 of the first fiscal year beginning after the date of enactment of this Act, may not prohibit a Write Your Own company
from offering or selling private flood insurance outside of the Write Your Own Program; and

(2) shall amend article XIII of the WYO Company Financial Assistance/Subsidy Arrangement in accordance with paragraph (1).

SEC. 403. AVAILABILITY OF NFIP CLAIMS DATA.

(a) In General.—The Administrator shall make available to a private insurance company that complies with subsection (b) anonymized data regarding claims under the National Flood Insurance Program, and any related information that the Administrator determines appropriate, to enable the company to improve its understanding of flood risk in the United States.

(b) Private Flood Insurance Claims Data.—The Administrator may provide data and related information to a private insurance company under subsection (a) if the company agrees to make available to the public, free of charge, its own anonymized data regarding private flood insurance claims.

SEC. 404. FEES AND SURCHARGES FOR PRIVATE FLOOD INSURANCE POLICIES.

(a) Surcharges.—Section 1308A(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015a(a)) is amended—
(1) by striking “The Administrator” and inserting the following:

“(1) COLLECTION ON NFIP POLICIES.—The Administrator”; and

(2) by adding at the end the following:

“(2) COLLECTION ON PRIVATE POLICIES.—

“(A) IN GENERAL.—An insurance company that issues a policy for private flood insurance shall impose and collect an annual surcharge, in the amount provided in subsection (b), on a private flood insurance policy.

“(B) IN ADDITION TO INCREASED COST OF COMPLIANCE SURCHARGE.—The surcharge imposed under subparagraph (A) shall be in addition to the surcharge imposed under section 1304(c) and any other assessments and surcharges applied to such coverage.

“(C) SURCHARGE PAYABLE TO ADMINISTRATOR.—Any surcharge imposed and collected under subparagraph (A) shall be payable to the Administrator.

“(D) INFORMATION.—The Administrator may require the provision of such information as the Administrator decides is necessary to verify that a surcharge imposed and collected
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under subparagraph (A) has been imposed and
collected at the proper time and in the proper
amount.

“(E) Cost of collecting surcharge.—
No portion of the surcharge collected under
subparagraph (A) may be retained by the insur-
ance company for the costs of collecting, han-
dling, or remitting the surcharge except for in-
terest accruing to the company after collection
and before remittance.”.

(b) Federal Policy Fee.—Section 1307(a) of the
4014(a)) is amended—

(1) in paragraph (1)(B)(iii), by striking “shall
be recovered by” and all that follows and inserting
“shall be recovered—

“(I) in the case of a policy under
the national flood insurance program,
by a fee that—

“(aa) shall be charged to
policyholders; and

“(bb) shall not be subject to
any agents’ commissions, com-
pany expense allowances, or
State or local premium taxes;

and

“(II) in the case of a private flood insurance policy, by a fee—

“(aa) that shall be—

“(AA) charged to policyholders;

“(BB) collected by the insurance company that issued the policy; and

“(CC) payable to the Administrator;

“(bb) that shall not be subject to any agents’ commissions, company expense allowances, or State or local premium taxes; and

“(ee) with respect to which—

“(AA) the Administrator may require the provision of such information as the Administrator decides is necessary to verify that the fee has been imposed and
collected at the proper time
and in the proper amount;
and

“(BB) no portion may
be retained by the insurance
company that collected the
fee for the costs of col-
lecting, handling, or remit-
ting the fee except for inter-
est accruing to the company
after collection and before
remittance; and”; and

(2) in paragraph (2), in the matter preceding
subparagraph (A), by inserting “, including a fee
charged to policyholders of private flood insurance in
a manner that is consistent with paragraph
(1)(B)(iii)(II),” after “policyholders”.

(c) INCREASED COST OF COMPLIANCE SURCHARGE
FOR PRIVATE POLICIES.—Section 1304 of the National
Flood Insurance Act of 1968 (42 U.S.C. 4011), as amend-
ed by section 203(b) of this Act, is further amended—

(1) in subsection (b), by striking the flush text
following paragraph (2), as so designated;

(2) by redesignating subsection (c) as sub-
section (d); and
(3) by inserting after subsection (b) the follow-

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(c) IMPOSITION AND COLLECTION OF SUR-
CHARGE.—

“(1) NFIP POLICIES.—The Administrator shall
impose a surcharge on each insured under the na-
tional flood insurance program of not more than $75
per policy to provide cost of compliance coverage in
accordance with the provisions of subsection (b).

“(2) PRIVATE POLICIES.—

“(A) IN GENERAL.—An insurance com-
pany that issues a policy for private flood insur-
ance shall impose a surcharge on each insured
of not more than $75 per policy to provide cost
of compliance coverage in accordance with the
provisions of subsection (b).

“(B) SURCHARGE PAYABLE TO ADMINIS-
TRATOR.—Any surcharge imposed under sub-
paragraph (A) shall be payable to the Adminis-
trator.

“(C) INFORMATION.—The Administrator
may require the provision of such information
as the Administrator decides is necessary to
verify that a surcharge imposed under subpara-
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graph (A) has been imposed at the proper time and in the proper amount.

“(D) Cost of collecting surcharge.—

No portion of the surcharge imposed under subparagraph (A) may be retained by the insurance company for the costs of collecting, handling, or remitting the surcharge except for interest accruing to the company after collection and before remittance.”.

(d) Applicability.—The amendments made by subsections (a), (b), and (e) shall apply with respect to a private flood insurance policy that is newly issued or renewed after the date of enactment of this Act.

(e) Definition of private flood insurance.—Section 1370(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4121(a)) is amended—

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

(2) in paragraph (15), by striking the period at the end and inserting “; and”;

(3) by adding at the end the following:

“(16) the term ‘private flood insurance’ has the meaning given the term in section 102(b) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(b)).”.
(f) TECHNICAL AND CONFORMING AMENDMENT.—

Section 1308A(a)(1) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015a(a)(1)), as so designated by subsection (a)(1) of this section, is amended, in the second sentence, by striking “section 1304(b)” and inserting “section 1304(c)”.

SEC. 405. PILOT PROGRAM.

Not later than 1 year after the date of enactment of this Act, the Administrator shall establish a 5-year pilot program—

(1) that involves risk sharing under the National Flood Insurance Program; and

(2) under which—

(A) the Administrator shall determine which structures shall be covered under the pilot program;

(B) Write Your Own companies, or otherwise qualified insurance companies, shall assume a first-loss position with respect to claims that are not greater than $50,000 for structures covered under the pilot program; and

(C) the National Flood Insurance Program shall assume a secondary loss position with respect to all structures covered under the pilot program.
TITLE V—MODERNIZING FLOOD MAPPING AND FLOOD RISK ACCURACY

SEC. 501. REAUTHORIZATION OF NATIONAL FLOOD MAPPING PROGRAM.

Section 100216(f) of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101b(f)) is amended—

(1) by striking “to carry out this section $400,000,000” and inserting the following: “to carry out this section—

“(1) $400,000,000”; and

(2) by striking the period at the end and inserting the following: “; and

“(2) $500,000,000 for each of fiscal years 2018 through 2027.”.

SEC. 502. MAPPING STANDARDS AND GUIDELINES FOR NONGOVERNMENTAL ENTITIES.

Section 100215(c)(2) of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101a(c)(2)) is amended, in the matter preceding subparagraph (A), by inserting after “to the Administrator” the following: “, and to non-government entities to help communities provide more accurate technical data to the Administrator,”.
SEC. 503. USE OF HIGH-RESOLUTION MAPPING TECHNOLOGY.

(a) In General.—Section 100216(b)(1) of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101b(b)(1)) is amended—

(1) in subparagraph (A)(i), by inserting “subject to subparagraph (D),” before “all populated areas”; 

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

(3) in subparagraph (C), by striking the period at the end and inserting the following: “, including by facilitating, partnering with other Federal, State, and local agencies with respect to, and leveraging the efficient acquisition of the most up-to-date high-resolution topographic data, such as Light Detection and Ranging (commonly known as ‘LiDAR’) data and other new and emerging technologies; and”; and 

(4) by adding at the end the following: “(D) transition from identifying the 100-year floodplain and associated base flood elevation as the basis for insurance rating purposes to determining structure-specific flood frequencies and associated flood elevations, including by using the most up-to-date high-resolution topographic data as required under sub-
paragraph (C), in order to reduce flood risk and
improve the accuracy of National Flood Insur-
ance Program rate maps.”.

(b) REPORT.—Not later than 180 days after the date
of enactment of this Act, the Administrator shall submit
to Congress a report on compliance by the Administrator
with the requirement under subparagraphs (C) and (D)
of section 100216(b)(1) of the Biggert-Waters Flood In-
surance Reform Act of 2012 (42 U.S.C. 4101b(b)(1)), as
amended by subsection (a), to use the most up-to-date
high-resolution topographic data on a structure-specific
basis in order to reduce flood risk and improve the accu-
racy of National Flood Insurance Program rate maps.

SEC. 504. PROTECTED AREAS.

Section 100216(b) of the Biggert-Waters Flood In-
surance Reform Act of 2012 (42 U.S.C. 4101b(b)) is
amended by adding at the end the following:

“(4) PROTECTED AREAS.—The Administrator
shall replace the Zone D designation, in areas pro-
tected by flood control structures or non-structural
flood mitigation features, with risk zones that are
more appropriate for the level of protection provided
by the structure or feature.”.
SEC. 505. COASTAL FLOOD MODELS.

Section 100216(b) of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101b(b)), as amended by section 504, is amended by adding at the end the following:

“(5) COASTAL FLOOD MODELS.—In updating maps under this section, the Administrator shall use the most current coastal flood models available to ensure technically and scientifically accurate modeling that better represents and communicates flood risk.”.

TITLE VI—ENHANCING NATIONAL FLOOD INSURANCE PROGRAM TRANSPARENCY AND ACCOUNTABILITY

SEC. 601. DEADLINE FOR APPROVAL OF CLAIMS.

(a) In General.—Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019) is amended by adding at the end the following:

“(d) DEADLINE FOR APPROVAL OF CLAIMS.—

“(1) In general.—The Administrator shall provide that, in the case of a claim for damage to or loss of property covered by flood insurance made available under this title—
“(A) except as provided in paragraph (2),
not later than 30 days after the date on which
the claim is made—

“(i) a final determination regarding
approval of the claim for payment or dis-
approval of the claim shall be made; and

“(ii) notification of the determination
shall be provided to the insured making
the claim; and

“(B) payment of an approved claim shall
be made as soon as possible after such ap-
proval.

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

“(A) shall provide that the period de-
scribed in paragraph (1)(A) may be extended by
a single additional period of 15 days under ex-
traordinary circumstances; and

“(B) shall, by regulation, establish criteria
for—

“(i) demonstrating such extraordinary
circumstances; and

“(ii) determining to which claims such
extraordinary circumstances apply.”.
(b) Applicability.—The amendment made by sub-
section (a) shall apply to any claim for damage to or loss
of property covered by flood insurance made available
under the National Flood Insurance Act of 1968 (42
U.S.C. 4001 et seq.) that is pending on, or made after,
the date of enactment of this Act.

SEC. 602. FLOOD INSURANCE TRANSPARENCY, ACCOUNT-
ABILITY, AND REFORM.

(a) Reports and Other Claim-Related Docu-
ments.—Section 1312 of the National Flood Insurance
Act of 1968 (42 U.S.C. 4019), as amended by section 601,
is amended by adding at the end the following:

“(e) Final Engineering Reports.—The Adminis-
trator shall require that, in the case of any on-site inspec-
tion of a property by an engineer for the purpose of assess-
ing any claim for losses covered by a policy for flood insur-
ance coverage provided under this title (referred to in this
subsection as a ‘covered claim’), the final engineering re-
port shall be provided to the insured under the policy, as
follows:

“(1) Timing.—The final engineering report
may not be transmitted to any other person, em-
ployer, agency, or entity, before it is transmitted to
the insured.
“(2) Prohibition on alterations; certification.—The final engineering report may not include alterations by, or at the request of, anyone other than the responsible in charge for the report and shall include a certification, signed by the responsible in charge for the report, that it does not contain any such alterations.

“(3) Transmittal.—The final engineering report shall be transmitted to the insured in a manner prescribed by the Administrator that provides reasonable assurance that it was transmitted directly to the insured by the responsible in charge.

“(4) Reports covered.—For purposes of this subsection, the term ‘final engineering report’ means an engineering report, survey, or other document in connection with the covered claim that—

“(A) is based on the on-site inspection;

“(B) contains final conclusions with respect to an engineering issue or issues involved in the claim; and

“(C) is signed by the responsible in charge or affixed with the seal of the responsible in charge, or both.

“(f) Claims adjustment reports.—The Administrator shall require that, in the case of any on-site inspec-
tion of a property by a claims adjustor for the purpose of assessing any claim for losses covered by a policy for flood insurance coverage provided under this title (referred to in this subsection as a ‘covered claim’), any report shall be provided to the insured under the policy, as follows:

“(1) Timing.—The report may not be transmitted to any other person, employer, agency, or entity, before it is transmitted to the insured.

“(2) Prohibition on alterations; certification.—The report may not include alterations by, or at the request of, anyone other than the preparer of the report and shall include a certification, signed by the preparer, that it does not contain any such alterations.

“(3) Transmittal.—The report shall be transmitted to the insured in a manner prescribed by the Administrator that provides reasonable assurance that it was transmitted directly to the insured by the preparer.

“(4) Reports covered.—For purposes of this subsection, the term ‘report’—

“(A) means any report or document in connection with the covered claim that is based on the on-site inspection by the claims adjustor,
including any adjustment report and field report;

“(B) includes any draft, preliminary version, or copy of a report described in sub-
paragraph (A) and any amendments or addi-
tions to any such report; and

“(C) does not include a final engineering report, as that term is defined for purposes of
subsection (e).

“(g) OTHER CLAIM-RELATED DOCUMENTS.—

“(1) DEFINITION OF CLAIM-RELATED DOCU-
MENT.—In this subsection, the term ‘claim-related
document’ means any document, other than a final
engineering report (as defined in subsection (e)) or
a report (as defined in subsection (f)), that was pre-
pared for the purposes of assessing a claim for
losses covered by flood insurance made available
under this title, including—

“(A) a repair and replacement estimate or
bid;

“(B) an appraisal;

“(C) a scope of loss;

“(D) a drawing;

“(E) a plan;
“(F) a report, including a draft report prepared based on an on-site inspection of a property conducted by a claims adjustor or engineer;

“(G) a third-party finding on the amount of loss, amount of covered damage, or cost of repairs; and

“(H) any other valuation, measurement, or loss adjustment calculation of the amount of loss, amount of covered damage, or cost of repairs.

“(2) AVAILABILITY OF DOCUMENTS.—Any entity servicing a claim under the national flood insurance program—

“(A) shall retain each claim-related document prepared by or for the entity;

“(B) upon request by a claimant or an authorized representative of a claimant, shall provide to the claimant or representative a copy of any claim-related document described in subparagraph (A) that pertains to the claimant; and

“(C) not later than 30 days after receiving notice of a claim, shall notify the claimant that the claimant or an authorized representative of the claimant may obtain, upon request, a copy
of any claim-related document described in sub-
paragraph (A) that pertains to the claimant.”.

(b) **Judicial Review.—**

(1) **Government Program with Industry**

**Assistance.—**Section 1341 of the National Flood
Insurance Act of 1968 (42 U.S.C. 4072) is amended
by striking “sec. 1341.” and all that follows and in-
serting the following:

“Sec. 1341. (a) **Adjustment and Payment of**

Claims.—If the program is carried out as provided in sec-
tion 1340, the Administrator may adjust and make pay-
ment of any claims for proved and approved losses covered
by flood insurance.

“(b) **Judicial Review.—**Upon the disallowance by

the Administrator of a claim described in subsection (a),
or upon the refusal of the claimant to accept the amount
allowed upon a claim described in subsection (a)—

“(1) the claimant may institute an action

against the Administrator on the claim in the United
States district court for the district in which the in-
sured property or the major part thereof shall have
been situated—

“(A) not later than 2 years after the date

of the occurrence of the losses involved in the

claim; or
“(B) in the case of a denial of a claim for
losses that is appealed to the Administrator, not
later than the later of—

“(i) 90 days after the date of a final
determination upon appeal denying the
claim in whole or in part; or

“(ii) 2 years after the date of the oc-
currence of the losses involved in the claim;

and

“(2) a court described in paragraph (1) shall
have original exclusive jurisdiction to hear and deter-
mine the action without regard to the amount in
controversy.

“(c) PRIVATE RIGHTS OF ACTION.—Nothing in this
section, or in any regulation or policy implementing the
national flood insurance program, shall be construed to
preclude a private right of action under any Federal stat-
ute by a policyholder against a private entity for fraud
arising from the handing or disposition of a claim for
losses under this title.”.

(2) INDUSTRY PROGRAM WITH FEDERAL FINAN-
cial assistance.—Section 1333 of the National
Flood Insurance Act of 1968 (42 U.S.C. 4053) is
amended by striking “sec. 1333.” and all that fol-
lows and inserting the following:
“Sec. 1333. (a) Adjustment and Payment of Claims.—The insurance companies and other insurers that form, associate, or otherwise join together in the pool under this part may adjust and pay all claims for proved and approved losses covered by flood insurance in accordance with the provisions of this title.

“(b) Judicial Review.—Upon the disallowance by any company or other insurer described in subsection (a) of a claim described in that subsection, or upon the refusal of the claimant to accept the amount allowed upon a claim described in that subsection—

“(1) the claimant may institute an action on the claim against the company or other insurer in the United States district court for the district in which the insured property or the major part thereof shall have been situated—

“(A) not later than 2 years after the date of the occurrence of the losses involved in the claim; or

“(B) in the case of a denial of a claim for losses that is appealed to the Administrator, not later than the later of—

“(i) 90 days after the date of a final determination upon appeal denying the claim in whole or in part; or
“(ii) 2 years after the date of the occurrence of the losses involved in the claim;

and

“(2) a court described in paragraph (1) shall have original exclusive jurisdiction to hear and determine the action without regard to the amount in controversy.”.

(c) Flood Insurance Advocate.—Section 24(b) of the Homeowner Flood Insurance Affordability Act of 2014 (42 U.S.C. 4033(b)) is amended—

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

(2) in paragraph (5), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:

“(6) provide a direct point of contact for policyholders under the National Flood Insurance Program to discuss the status of their claim appeals and the basis of the decision to initially deny their claims.”.

(d) Records and Reviews.—Section 1348 of the National Flood Insurance Act of 1968 (42 U.S.C. 4084) is amended by adding at the end the following:

“(c) Annual Review.—The Administrator shall conduct an annual review of each private entity partici-
participating in the national flood insurance program, including any company that has entered into a contract with a Write Your Own company to provide any service related to a policy or claim under the national flood insurance program, including adjusting, engineering, and legal services, to ensure compliance with this title and with all policies and procedures established by the Administrator to prevent fraud and protect policyholders.”

(e) Publication of Claims Data.—Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019), as amended by subsection (a), is amended by adding at the end the following:

“(h) Publication of Claims Data.—Not later than 1 year after the date of enactment of the Flood Insurance Affordability and Sustainability Act of 2017, the Administrator shall create and maintain a publically searchable online database that includes, with respect to claims filed under the national flood insurance program after that date of enactment—

“(1) the number of claims filed each month, broken down by State;

“(2) the number of claims paid in part or in full;

“(3) the number of claims denied and the reasons cited for each denial; and
“(4) the number of claim denials appealed, the
number of claim denials upheld on appeal, and the
number of claim denials overturned on appeal.”.

(f) ENGINEERING AND LITIGATION COSTS.—Section
1311 of the National Flood Insurance Act of 1968 (42
U.S.C. 4018) is amended by adding at the end the fol-
lowing:

“(c) ENGINEERING AND LITIGATION COSTS.—The
Administrator shall—

“(1) in order to ensure that taxpayer funds are
being appropriately expended, establish clear guide-
lines and standards to require that any engineering
or litigation cost billed to the national flood insur-
ance program by a Write Your Own company is jus-
tified on a case-by-case basis, both by the entity that
originally incurs the cost and by the Write Your
Own company; and

“(2) enforce compliance with the guidelines and
standards established under paragraph (1).”.

(g) EARTH MOVEMENT.—Section 1306 of the Na-
tional Flood Insurance Act of 1968 (42 U.S.C. 4013) is
amended by adding at the end the following:

“(e) EARTH MOVEMENT.—A flood insurance claim
filed under this title for damage to or loss of property may
not be denied based on the earth movement exclusion in
the Standard Flood Insurance Policy if the claim is filed as the result of a flood, including a claim for damage to or loss or property caused by earth movement that was caused by a flood.”.

(h) APPEALS PROCESS.—Section 205 of the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 (42 U.S.C. 4011 note) is amended—

(1) by striking “Not later than” and inserting “(a) IN GENERAL.—Not later than”; and

(2) by adding at the end the following:

“(b) REVIEW OF APPEALS.—

“(1) CLARITY.—The Director shall ensure that the appeals process established under subsection (a) has clear rules, forms, and deadlines.

“(2) NOTIFICATION UPON INITIAL DENIAL OF CLAIM.—The Director shall ensure that a claimant is provided with the rules, forms, and deadlines described in paragraph (1) at the time a claim is first denied in full or in part, including—

“(A) the effective date of the denial;

“(B) a justification for the denial, including supporting documentation;

“(C) the date on which the period of limitation for instituting an action against the Administrator on the claim under section 1341 of
the National Flood Insurance Act of 1968 (42 U.S.C. 4072) will end; and

“(D) a point of contact through which the claimant can directly discuss an appeal with a representative of the Federal Emergency Management Agency.

“(3) NOTIFICATION UPON DENIAL OF APPEAL.—If the Administrator denies an appeal filed by a policyholder, the Administrator shall include with the notice of denial an explanation of the policyholder’s legal options for further challenging the denial.”.

(i) DEFINITION OF WRITE YOUR OWN COMPANY.—
Section 1370(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4121(a)), as amended by section 404(d) of this Act, is further amended—

(1) in paragraph (15), by striking “and” at the end;

(2) in paragraph (16), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:

“(17) the term ‘Write Your Own company’ means a company participating in the cooperative undertaking between the insurance industry and the Federal Insurance and Mitigation Administration
that allows participating property and casualty insurance companies to write and service standard flood insurance policies.”.

SEC. 603. REPORTS TO CONGRESS.

(a) DEFINITION.—In this section, the term “Task Force” means the National Flood Insurance Program Transformation Task Force established by the Federal Emergency Management Agency.

(b) REPORT TO CONGRESS ON ACCOUNTABILITY FOR DEFRAUDING POLICYHOLDERS.—Not later than 90 days after the date of enactment of this Act, the Secretary of Homeland Security shall submit to Congress a report on specific actions the Department of Homeland Security will take to identify individuals and private entities that have engaged in activities to defraud policyholders under the National Flood Insurance Program following Superstorm Sandy and prevent those individuals and private entities from continuing to receive Federal funding through—

(1) contracts with, or employment by, a Write Your Own company; or

(2) employment by the Federal Emergency Management Agency.

c) REPORT TO CONGRESS ON RECOMMENDATIONS OF THE NFIP TRANSFORMATION TASK FORCE.—Not later than 1 year after the date of enactment of this Act,
the Administrator shall submit to Congress a report that describes—

(1) the recommendations of the Task Force for reforming the National Flood Insurance Program;

(2) a timeline for implementing the recommendations of the Task Force; and

(3) any recommendations of the Task Force that require additional legislation.