

110TH CONGRESS  
1ST SESSION

# H. R. 920

To amend the National Flood Insurance Act of 1968 to provide for the national flood insurance program to make available multiperil coverage for damage resulting from windstorms or floods, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 8, 2007

Mr. TAYLOR (for himself, Ms. WATERS, Mr. JINDAL, Mr. MELANCON, Mr. JONES of North Carolina, Mr. JEFFERSON, Mr. BONNER, Mrs. MALONEY of New York, Mr. CLEAVER, Mr. AL GREEN of Texas, Mr. CLAY, Mr. MARKEY, Mr. LINCOLN DAVIS of Tennessee, and Mr. ALEXANDER) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend the National Flood Insurance Act of 1968 to provide for the national flood insurance program to make available multiperil coverage for damage resulting from windstorms or floods, 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 “Multiple Peril Insur-  
5 ance Act of 2007”.

1 **SEC. 2. FLOOD AND WINDSTORM MULTIPERIL COVERAGE.**

2 Section 1304 of the National Flood Insurance Act of  
3 1968 (42 U.S.C. 4011) is amended—

4 (1) by redesignating subsection (c) as sub-  
5 section (d); and

6 (2) by inserting after subsection (b) the fol-  
7 lowing new subsection:

8 “(c) MULTIPERIL COVERAGE FOR DAMAGE FROM  
9 FLOOD OR WINDSTORM.—

10 “(1) IN GENERAL.—The national flood insur-  
11 ance program established pursuant to subsection (a)  
12 shall enable the purchase of optional insurance  
13 against loss resulting from physical damage to or  
14 loss of real property or personal property related  
15 thereto located in the United States arising from  
16 any flood or windstorm, subject to the limitations in  
17 this subsection and section 1306(b).

18 “(2) COMMUNITY PARTICIPATION REQUIRE-  
19 MENT.—Multiperil coverage pursuant to this sub-  
20 section may not be provided in any area (or subdivi-  
21 sion thereof) unless an appropriate public body shall  
22 have adopted adequate land use and control meas-  
23 ures (with effective enforcement provisions) which  
24 the Director finds are consistent with the com-  
25 prehensive criteria for land management and use re-

1       lating to windstorms establish pursuant to section  
2       1361(d)(2).

3           “(3) PROHIBITION AGAINST DUPLICATIVE COV-  
4       ERAGE.—Multiperil coverage pursuant to this sub-  
5       section may not be provided with respect to any  
6       structure (or the personal property related thereto)  
7       for any period during which such structure is cov-  
8       ered, at any time, by flood insurance coverage made  
9       available under this title.

10          “(4) NATURE OF COVERAGE.—Multiperil cov-  
11       erage pursuant to this subsection shall—

12           “(A) cover losses only from physical dam-  
13       age resulting from flooding or windstorm; and

14           “(B) provide for approval and payment of  
15       claims under such coverage upon proof that  
16       such loss must have resulted from either wind-  
17       storm or flooding, but shall not require for ap-  
18       proval and payment of a claim that the specific  
19       cause of the loss, whether windstorm or flood-  
20       ing, be distinguished or identified.

21          “(5) ACTUARIAL RATES.—Multiperil coverage  
22       pursuant to this subsection shall be made available  
23       for purchase for a property only at chargeable risk  
24       premium rates that, based on consideration of the  
25       risks involved and accepted actuarial principles, and

1 including operating costs and allowance and admin-  
2 istrative expenses, are required in order to make  
3 such coverage available on an actuarial basis for the  
4 type and class of properties covered.

5 “(6) TERMS OF COVERAGE.—The Director  
6 shall, after consultation with persons and entities re-  
7 ferred to in section 1306(a), provide by regulation  
8 for the general terms and conditions of insurability  
9 which shall be applicable to properties eligible for  
10 multiperil coverage under this subsection, subject to  
11 the provisions of this subsection, including—

12 “(A) the types, classes, and locations of  
13 any such properties which shall be eligible for  
14 such coverage, which shall include residential  
15 and nonresidential properties;

16 “(B) subject to paragraph (7), the nature  
17 and limits of loss or damage in any areas (or  
18 subdivisions thereof) which may be covered by  
19 such coverage;

20 “(C) the classification, limitation, and re-  
21 jection of any risks which may be advisable;

22 “(D) appropriate minimum premiums;

23 “(E) appropriate loss deductibles; and

1           “(F) any other terms and conditions relat-  
2           ing to insurance coverage or exclusion that may  
3           be necessary to carry out this subsection.

4           “(7) LIMITATIONS ON AMOUNT OF COV-  
5           ERAGE.—The regulations issued pursuant to para-  
6           graph (6) shall provide that the aggregate liability  
7           under multiperil coverage made available under this  
8           subsection shall not exceed the lesser of the replace-  
9           ment cost for covered losses or the following  
10          amounts, as applicable:

11           “(A) RESIDENTIAL STRUCTURES.—In the  
12          case of residential properties—

13           “(i) for any single-family dwelling,  
14           \$500,000; and

15           “(ii) for any structure containing  
16           more than one dwelling unit, \$500,000 for  
17           each separate dwelling unit in the struc-  
18           ture; and

19           “(iii) \$150,000 per dwelling unit  
20           for—

21           “(I) any contents related to such  
22           unit; and

23           “(II) any necessary increases in  
24           living expenses incurred by the in-  
25           sured when losses from flooding or

1                   windstorm make the residence unfit to  
2                   live in.

3                   “(B) NONRESIDENTIAL PROPERTIES.—In  
4                   the case of nonresidential properties (including  
5                   church properties)—

6                   “(i) \$1,000,000 for any single struc-  
7                   ture; and

8                   “(ii) \$750,000 for—

9                   “(I) any contents related to such  
10                  structure;

11                  “(II) in the case of any nonresi-  
12                  dential property that is a business  
13                  property, any losses resulting from  
14                  any partial or total interruption of the  
15                  insured’s business caused by damage  
16                  to, or loss of, such property from  
17                  flooding or windstorm, except that for  
18                  purposes of such coverage, losses shall  
19                  be determined based on the profits the  
20                  covered business would have earned,  
21                  based on previous financial records,  
22                  had the flood or windstorm not oc-  
23                  curred.”.

1 **SEC. 3. PROHIBITION AGAINST DUPLICATIVE COVERAGE.**

2 The National Flood Insurance Act of 1968 is amend-  
3 ed by inserting after section 1313 (42 U.S.C. 4020) the  
4 following new section;

5 “PROHIBITION AGAINST DUPLICATIVE COVERAGE

6 “SEC. 1314. Flood insurance under this title may not  
7 be provided with respect to any structure (or the personal  
8 property related thereto) for any period during which such  
9 structure is covered, at any time, by multiperil insurance  
10 coverage made available pursuant to section 1304(c).”.

11 **SEC. 4. COMPLIANCE WITH STATE AND LOCAL LAW.**

12 Section 1316 of the National Flood Insurance Act of  
13 1968 (42 U.S.C. 4023) is amended—

14 (1) by inserting “(a) FLOOD PROTECTION  
15 MEASURES.—” before “No new”; and

16 (2) by adding at the end the following new sub-  
17 section:

18 “(b) WINDSTORM PROTECTION MEASURES.—No new  
19 multiperil coverage shall be provided under section  
20 1304(c) for any property that the Director finds has been  
21 declared by a duly constituted State or local zoning au-  
22 thority, or other authorized public body to be in violation  
23 of State or local laws, regulations, or ordinances, which  
24 are intended to reduce damage caused by windstorms.”.

1 **SEC. 5. CRITERIA FOR LAND MANAGEMENT AND USE.**

2 Section 1361 of the National Flood Insurance Act of  
3 1968 (42 U.S.C. 4102) is amended by adding at the end  
4 the following new subsection:

5 “(d) WINDSTORMS.—

6 “(1) STUDIES AND INVESTIGATIONS.—The Di-  
7 rector shall carry out studies and investigations  
8 under this section to determine appropriate meas-  
9 ures in windstorm-prone areas as to land manage-  
10 ment and use, windstorm zoning, and windstorm  
11 damage prevention, and may enter into contracts,  
12 agreements, and other appropriate arrangements to  
13 carry out such activities. Such studies and investiga-  
14 tions shall include laws, regulations, and ordinance  
15 relating to the orderly development and use of areas  
16 subject to damage from windstorm risks, and zoning  
17 building codes, building permits, and subdivision and  
18 other building restrictions for such areas.

19 “(2) CRITERIA.—On the basis of the studies  
20 and investigations pursuant to paragraph (1) and  
21 such other information as may be appropriate, the  
22 Direct shall establish comprehensive criteria de-  
23 signed to encourage, where necessary, the adoption  
24 of adequate State and local measures which, to the  
25 maximum extent feasible, will assist in reducing  
26 damage caused by windstorms.

1           “(3) COORDINATION WITH STATE AND LOCAL  
2 GOVERNMENTS.—The Director shall work closely  
3 with and provide any necessary technical assistance  
4 to State, interstate, and local governmental agencies,  
5 to encourage the application of criteria established  
6 under paragraph (2) and the adoption and enforce-  
7 ment of measures referred to in such paragraph .”.

8 **SEC. 6. DEFINITIONS.**

9           Section 1370 of the National Flood Insurance Act of  
10 1968 (42 U.S.C. 4121) is amended—

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

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

15           (3) by adding at the end the following new  
16 paragraph:

17           “(16) the term ‘windstorm’ means any hurri-  
18 cane, tornado, cyclone, typhoon, or other wind  
19 event.”.

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