A BILL

To amend the National Flood Insurance Act of 1968, to restore the financial solvency of the flood insurance fund, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

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TITLE I—FLOOD INSURANCE REFORM AND MODERNIZATION

SEC. 101. SHORT TITLE.

This title may be cited as the “Flood Insurance Reform and Modernization Act of 2011”.

SEC. 102. FINDINGS.

Congress finds that—

(1) the flood insurance claims resulting from the hurricane season of 2005 exceeded all previous claims paid by the National Flood Insurance Program;

(2) in order to pay the legitimate claims of policyholders from the hurricane season of 2005, the Federal Emergency Management Agency has borrowed $19,000,000,000 from the Treasury;

(3) the interest alone on this debt has been as high as $800,000,000 annually, and that the Federal Emergency Management Agency has indicated that it will be unable to pay back this debt;

(4) the flood insurance program must be strengthened to ensure it can pay future claims;
(5) while flood insurance is mandatory in the
100-year floodplain, substantial flooding occurs out-
side of existing special flood hazard areas;

(6) events throughout the country involving
areas behind flood control structures, known as “re-
sidual risk” areas, have produced catastrophic
losses;

(7) although such flood control structures
produce an added element of safety and therefore
lessen the probability that a disaster will occur, they
are nevertheless susceptible to catastrophic loss, even
though such areas at one time were not included
within the 100-year floodplain; and

(8) voluntary participation in the National
Flood Insurance Program has been minimal and
many families residing outside the 100-year flood-
plain remain unaware of the potential risk to their
lives and property.

SEC. 103. DEFINITIONS.

(a) In General.—In this title, the following defini-
tions shall apply:

(1) 100-YEAR FLOODPLAIN.—The term “100-
year floodplain” means that area which is subject to
inundation from a flood having a 1-percent chance
of being equaled or exceeded in any given year.
(2) **500-YEAR FLOODPLAIN.**—The term “500-year floodplain” means that area which is subject to inundation from a flood having a 0.2-percent chance of being equaled or exceeded in any given year.

(3) **ADMINISTRATOR.**—The term “Administrator” means the Administrator of the Federal Emergency Management Agency.

(4) **NATIONAL FLOOD INSURANCE PROGRAM.**—The term “National Flood Insurance Program” means the program established under the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.).

(5) **WRITE YOUR OWN.**—The term “Write Your Own” means the cooperative undertaking between the insurance industry and the Federal Insurance Administration which allows participating property and casualty insurance companies to write and service standard flood insurance policies.

(b) **COMMON TERMINOLOGY.**—Except as otherwise provided in this title, any terms used in this title shall have the meaning given to such terms under section 1370 of the National Flood Insurance Act of 1968 (42 U.S.C. 4121).
SEC. 104. EXTENSION OF NATIONAL FLOOD INSURANCE PROGRAM.

(a) Financing.—Section 1309(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4016(a)) is amended by striking “2011” and inserting “2016”

(b) Program Expiration.—Section 1319 of the National Flood Insurance Act of 1968 (42 U.S.C. 4026), is amended by striking “2011” and inserting “2016”.

SEC. 105. AVAILABILITY OF INSURANCE FOR MULTIFAMILY PROPERTIES.

Section 1305 of the National Flood Insurance Act of 1968 (42 U.S.C. 4012) is amended—

(1) in subsection (b)(2)(A), by inserting “not described in subsection (a) or (d)” after “properties”; and

(2) by adding at the end the following:

“(d) Availability of Insurance for Multifamily Properties.—

“(1) In General.—The Administrator shall make flood insurance available to cover residential properties of more than 4 units. Notwithstanding any other provision of law, the maximum coverage amount that the Administrator may make available under this subsection to such residential properties shall be equal to the coverage amount made available to commercial properties.
“(2) Rule of Construction.—Nothing in this subsection shall be construed to limit the ability of individuals residing in residential properties of more than 4 units to obtain insurance for the contents and personal articles located in such residences.”.

SEC. 106. REFORM OF PREMIUM RATE STRUCTURE.

(a) To Exclude Certain Properties From Receiving Subsidized Premium Rates.—

(1) In General.—Section 1307 of the National Flood Insurance Act of 1968 (42 U.S.C. 4014) is amended—

(A) in subsection (a)(2), by striking “; and” and inserting the following: “, except that the Administrator shall not estimate rates under this paragraph for—

“(A) any property which is not the primary residence of an individual;

“(B) any severe repetitive loss property;

“(C) any property that has incurred flood-related damage in which the cumulative amounts of payments under this title equaled or exceeded the fair market value of such property;

“(D) any business property; or
“(E) any property which on or after the date of the enactment of the Flood Insurance Reform and Modernization Act of 2011 has experienced or sustained—

“(i) substantial damage exceeding 50 percent of the fair market value of such property; or

“(ii) substantial improvement exceeding 30 percent of the fair market value of such property; and”;

(B) by adding at the end the following:

“(g) NO EXTENSION OF SUBSIDY TO NEW POLICIES OR LAPPED POLICIES.—The Administrator shall not provide flood insurance to prospective insureds at rates less than those estimated under subsection (a)(1), as required by paragraph (2) of that subsection, for—

“(1) any property not insured by the flood insurance program as of the date of the enactment of the Flood Insurance Reform and Modernization Act of 2011;

“(2) any policy under the flood insurance program that has lapsed in coverage, as a result of the deliberate choice of the holder of such policy; or

“(3) any prospective insured who refuses to accept any offer for mitigation assistance by the Ad-
ministrator (including an offer to relocate), including

an offer of mitigation assistance—

“(A) following a major disaster, as defined

in section 102 of the Robert T. Stafford Dis-

aster Relief and Emergency Assistance Act (42

U.S.C. 5122); or

“(B) in connection with—

“(i) a repetitive loss property; or

“(ii) a severe repetitive loss property.

“(h) DEFINITION.—In this section, the term ‘severe

repetitive loss property’ has the following meaning:

“(1) SINGLE-FAMILY PROPERTIES.—In the case

of a property consisting of 1 to 4 residences, such

term means a property that—

“(A) is covered under a contract for flood

insurance made available under this title; and

“(B) has incurred flood-related damage—

“(i) for which 4 or more separate

claims payments have been made under

flood insurance coverage under this chap-

ter, with the amount of each such claim

exceeding $5,000, and with the cumulative

amount of such claims payments exceeding

$20,000; or
“(ii) for which at least 2 separate claims payments have been made under such coverage, with the cumulative amount of such claims exceeding the value of the property.

“(2) MULTIFAMILY PROPERTIES.—In the case of a property consisting of more than 4 units, such term shall have such meaning as the Director shall by regulation provide.”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall become effective 90 days after the date of the enactment of this Act.

(b) ESTIMATES OF PREMIUM RATES.—Section 1307(a)(1)(B) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(a)(1)(B)) is amended—

(1) in clause (ii), by striking “and” at the end;

(2) in clause (iii), by adding “and” at the end;

and

(3) by inserting after clause (iii) the following:

“(iv) all costs, as prescribed by principles and standards of practice in ratemaking adopted by the American Academy of Actuaries and the Casualty Actuarial Society, including—
“(I) an estimate of the expected value of future costs,
“(II) all costs associated with the transfer of risk, and
“(III) the costs associated with an individual risk transfer with respect to risk classes, as defined by the Administrator,”.

(e) INCREASE IN ANNUAL LIMITATION ON PREMIUM INCREASES.—Section 1308(c) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(e)) is amended—
   (1) by striking “under this title for any properties within any single” and inserting the following: “under this title for any properties—
   “(1) within any single”;
   (2) by striking “10 percent” and inserting “15 percent”; and
   (3) by striking the period at the end and inserting the following: “; and
   “(2) described in subparagraphs (A) through (E) of section 1307(a)(2) shall be increased by 25 percent each year, until the average risk premium rate for such properties is equal to the average of the risk premium rates for properties described under paragraph (1).”.
(d) **Premium Payment Flexibility for New and Existing Policyholders.**—Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015) is amended by adding at the end the following:

“(g) **Frequency of Premium Collection.**—With respect to any chargeable premium rate prescribed under this section, the Administrator shall provide policyholders that are not required to escrow their premiums and fees for flood insurance as set forth under section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) with the option of paying their premiums either annually or in more frequent installments.”.

**SEC. 107. MANDATORY COVERAGE AREAS.**

(a) **Special Flood Hazard Areas.**—Not later than 90 days after the date of the enactment of this Act, the Administrator shall issue final regulations establishing a revised definition of areas of special flood hazards for purposes of the National Flood Insurance Program.

(b) **Residual Risk Areas.**—The regulations required by subsection (a) shall require the expansion of areas of special flood hazards to include areas of residual risk that are located behind levees or near dams or other flood control structures, as determined by the Administrator.
(c) **Mandatory Participation in National Flood Insurance Program.**—

1. **IN GENERAL.**—Any area described in subsection (b) shall be subject to the mandatory purchase requirements of sections 102 and 202 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a, 4106).

2. **LIMITATION.**—The mandatory purchase requirement under paragraph (1) shall have no force or effect until the mapping of all residual risk areas in the United States that the Administrator determines essential in order to administer the National Flood Insurance Program, as required under section 118, are in the maintenance phase.

3. **ACCURATE PRICING.**—In carrying out the mandatory purchase requirement under paragraph (1), the Administrator shall ensure that the price of flood insurance policies in areas of residual risk accurately reflects the level of flood protection provided by any levee, dam, or other flood control structure in such area, regardless of the certification status of the flood control structure.

4. **DECERTIFICATION.**—Upon decertification of any levee, dam, or flood control structure under the jurisdiction of the Army Corps of Engineers, the Corps shall im-
mediate notice to the Administrator of the National Flood Insurance Program.

SEC. 108. PREMIUM ADJUSTMENT.

Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015), as amended by section 106(c), is further amended by adding at the end the following:

“(h) PREMIUM ADJUSTMENT TO REFLECT CURRENT RISK OF FLOOD.—Notwithstanding subsection (f), upon the effective date of any revised or updated flood insurance rate map under this Act, the Flood Disaster Protection Act of 1973, or the Flood Insurance Reform and Modernization Act of 2011, any property located in an area that is participating in the national flood insurance program shall have the risk premium rate charged for flood insurance on such property adjusted to accurately reflect the current risk of flood to such property, subject to any other provision of this Act. Any increase in the risk premium rate charged for flood insurance on any property that is covered by a flood insurance policy on the effective date of such an update that is a result of such updating shall be phased in over a 4-year period, at the rate of 40 percent for the first year following such effective date and 20 percent for each of the second, third, and fourth years following such effective date. In the case of any area that was not previously designated as an area having special
flood hazards and that, pursuant to any issuance, revision, updating, or other change in a flood insurance map, becomes designated as such an area, the chargeable risk premium rate for flood insurance under this title that is purchased on or after the date of enactment of this subsection with respect to any property that is located within such area shall be phased in over a 4-year period, at the rate of 40 percent for the first year following the effective date of such issuance, revision, updating, or change and 20 percent for each of the second, third, and fourth years following such effective date.”.

SEC. 109. STATE CHARTERED FINANCIAL INSTITUTIONS.

Section 1305(c) of the National Flood Insurance Act of 1968 (42 U.S.C. 4012(c)) is amended—

(1) in paragraph (1), by striking “, and” and inserting a semicolon;

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

(3) by adding at the end the following:

“(3) given satisfactory assurance that by the date that is 6 months after the date of enactment of the Flood Insurance Reform and Modernization Act of 2011, lending institutions chartered by a State, and not insured by the Federal Deposit Insurance Corporation or the National Credit Union Ad-
ministration, shall be subject to regulations by that State that are consistent with the requirements of section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a).”.

SEC. 110. ENFORCEMENT.

Section 102(f)(5) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(f)(5)) is amended—

(1) in the first sentence, by striking “$350” and inserting “$2,000”; and

(2) by striking the second sentence.

SEC. 111. ESCROW OF FLOOD INSURANCE PAYMENTS.

(a) IN GENERAL.—Section 102(d) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(d)) is amended—

(1) by amending paragraph (1) to read as follows:

“(1) Regulated lending institutions.—

“(A) Federal entities responsible for lending regulations.—Each Federal entity for lending regulation (after consultation and coordination with the Federal Financial Institutions Examination Council) shall, by regulation, direct that any premiums and fees for flood insurance under the National Flood Insurance Act of 1968, on any property for which a
loan has been made for acquisition or construction purposes, shall be paid to the mortgage lender, with the same frequency as payments on the loan are made, for the duration of the loan. Upon receipt of any premiums or fees, the lender shall deposit such premiums and fees in an escrow account on behalf of the borrower. Upon receipt of a notice from the Administrator or the provider of the flood insurance that insurance premiums are due, the remaining balance of an escrow account shall be paid to the provider of the flood insurance.

“(B) **State entities responsible for lending regulations.**—In order to continue to participate in the flood insurance program, each State shall direct that its entity or agency with primary responsibility for the supervision of lending institutions in that State require that premiums and fees for flood insurance under the National Flood Insurance Act of 1968, on any property for which a loan has been made for acquisition or construction purposes shall be paid to the mortgage lender, with the same frequency as payments on the loan are made, for the duration of the loan. Upon receipt of any
premiums or fees, the lender shall deposit such
premiums and fees in an escrow account on be-
half of the borrower. Upon receipt of a notice
from such State entity or agency, the Adminis-
trator, or the provider of the flood insurance
that insurance premiums are due, the remain-
ing balance of an escrow account shall be paid
to the provider of the flood insurance.”; and

(2) by adding at the end the following:

“(6) NOTICE UPON LOAN TERMINATION.—Upon
final payment of the mortgage, a regulated lending
institution shall provide notice to the policyholder
that flood insurance coverage may cease with such
final payment. The regulated lending institution
shall also provide direction as to how the homeowner
may continue flood insurance coverage after the life
of the loan.”.

(b) APPLICABILITY.—The amendment made by sub-
section (a)(1) shall apply to any mortgage outstanding or
entered into on or after the expiration of the 2-year period
beginning on the date of the enactment of this Act.

SEC. 112. MINIMUM DEDUCTIBLES FOR CLAIMS UNDER THE
NATIONAL FLOOD INSURANCE PROGRAM.

Section 1312 of the National Flood Insurance Act of
1968 (42 U.S.C. 4019) is amended—
(1) by striking “The Director is” and inserting the following:

“(a) IN GENERAL.—The Administrator is”; and

(2) by adding at the end the following:

“(b) MINIMUM ANNUAL DEDUCTIBLE.—

“(1) PRE-FIRM PROPERTIES.—For any structure which is covered by flood insurance under this title, and on which construction or substantial improvement occurred on or before December 31, 1974, or before the effective date of an initial flood insurance rate map published by the Administrator under section 1360 for the area in which such structure is located, the minimum annual deductible for damage to such structure shall be—

“(A) $1,500, if the flood insurance coverage for such structure covers loss of, or physical damage to, such structure in an amount equal to or less than $100,000; and

“(B) $2,000, if the flood insurance coverage for such structure covers loss of, or physical damage to, such structure in an amount greater than $100,000.

“(2) POST-FIRM PROPERTIES.—For any structure which is covered by flood insurance under this title, and on which construction or substantial im-
provement occurred after December 31, 1974, or after the effective date of an initial flood insurance rate map published by the Administrator under section 1360 for the area in which such structure is located, the minimum annual deductible for damage to such structure shall be—

“(A) $1,000, if the flood insurance coverage for such structure covers loss of, or physical damage to, such structure in an amount equal to or less than $100,000; and

“(B) $1,250, if the flood insurance coverage for such structure covers loss of, or physical damage to, such structure in an amount greater than $100,000.”.

SEC. 113. CONSIDERATIONS IN DETERMINING CHARGEABLE PREMIUM RATES.

Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015), as amended by this Act, is amended—

(1) in subsection (a), by striking “, after consultation with” and all that follows through “by regulation” and inserting “prescribe, after providing notice”;

(2) in subsection (b)—
(A) in paragraph (1), by striking the period at the end and inserting a semicolon;

(B) in paragraph (2), by striking the comma at the end and inserting a semicolon;

(C) in paragraph (3), by striking ‘‘, and’’ and inserting a semicolon;

(D) in paragraph (4), by striking the period and inserting ‘‘; and’’; and

(E) by adding at the end the following:

‘‘(5) adequate, on the basis of accepted actuarial principles, to cover the average historical loss year obligations incurred by the National Flood Insurance Fund.’’; and

(3) by adding at the end the following:

‘‘(i) RULE OF CONSTRUCTION.—For purposes of this section, the calculation of an ‘average historical loss year’—

‘‘(1) includes catastrophic loss years; and

‘‘(2) shall be computed in accordance with generally accepted actuarial principles.’’.

SEC. 114. RESERVE FUND.

Chapter I of the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.) is amended by inserting after section 1310 (42 U.S.C. 4017) the following:
“SEC. 1310A. RESERVE FUND.

“(a) Establishment of Reserve Fund.—In carrying out the flood insurance program authorized by this chapter, the Administrator shall establish in the Treasury of the United States a National Flood Insurance Reserve Fund (in this section referred to as the ‘Reserve Fund’) which shall—

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

“(2) be available for meeting the expected future obligations of the flood insurance program.

“(b) Reserve Ratio.—Subject to the phase-in requirements under subsection (d), the Reserve Fund shall maintain a balance equal to—

“(1) 1 percent of the sum of the total potential loss exposure of all outstanding flood insurance policies in force in the prior fiscal year; or

“(2) such higher percentage as 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 shall have the authority to establish, increase, or decrease
the amount of aggregate annual insurance premiums
to be collected for any fiscal year necessary—

“(A) to maintain the reserve ratio required
under subsection (b); and

“(B) to achieve such reserve ratio, if the
actual balance of such reserve is below the
amount required under subsection (b).

“(2) CONSIDERATIONS.—In exercising the au-
thority granted under paragraph (1), the Adminis-
trator shall consider—

“(A) the expected operating expenses of
the Reserve Fund;

“(B) the insurance loss expenditures under
the flood insurance program;

“(C) any investment income generated
under the flood insurance program; and

“(D) any other factor that the Adminis-
trator determines appropriate.

“(3) LIMITATIONS.—In exercising the authority
granted under paragraph (1), the Administrator
shall be subject to all other provisions of this Act,
including any provisions relating to chargeable pre-
mium rates or annual increases of such rates.

“(d) PHASE-IN REQUIREMENTS.—The phase-in re-
quirements under this subsection are as follows:
“(1) IN GENERAL.—Beginning in fiscal year 2012 and not ending until the fiscal year in which the ratio required under subsection (b) is achieved, in each such fiscal year the Administrator shall place in the Reserve Fund an amount equal to not less than 7.5 percent of the reserve ratio required under subsection (b).

“(2) AMOUNT SATISFIED.—As soon as the ratio required under subsection (b) is achieved, and except as provided in paragraph (3), the Administrator shall not be required to set aside any amounts for the Reserve Fund.

“(3) EXCEPTION.—If at any time after the ratio required under subsection (b) is achieved, the Reserve Fund falls below the required ratio under subsection (b), the Administrator shall place in the Reserve Fund for that fiscal year an amount equal to not less than 7.5 percent of the reserve ratio required under subsection (b).

“(e) LIMITATION ON RESERVE RATIO.—In any given fiscal year, if the Administrator determines that the reserve ratio required under subsection (b) cannot be achieved, the Administrator shall submit a report to Congress that—
“(1) describes and details the specific concerns of the Administrator regarding the consequences of the reserve ratio not being achieved;

“(2) demonstrates how such consequences would harm the long-term financial soundness of the flood insurance program; and

“(3) indicates the maximum attainable reserve ratio for that particular fiscal year.”.

SEC. 115. REPAYMENT PLAN FOR BORROWING AUTHORITY.

Section 1309 of the National Flood Insurance Act of 1968 (42 U.S.C. 4016) is amended by adding at the end the following:

“(c) Upon the exercise of the authority established under subsection (a), the Administrator shall transmit a schedule for repayment of such amounts to—

“(1) the Secretary of the Treasury;

“(2) the Committee on Banking, Housing, and Urban Affairs of the Senate; and

“(3) the Committee on Financial Services of the House of Representatives.

“(d) In connection with any funds borrowed by the Administrator under the authority established in subsection (a), the Administrator, beginning 6 months after the date on which such funds are borrowed, and continuing every 6 months thereafter until such borrowed
funds are fully repaid, shall submit a report on the progress of such repayment to—

“(1) the Secretary of the Treasury;

“(2) the Committee on Banking, Housing, and Urban Affairs of the Senate; and

“(3) the Committee on Financial Services of the House of Representatives.”.

SEC. 116. PAYMENT OF CONDOMINIUM CLAIMS.

Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019), as amended by section 112, is amended by adding at the end the following:

“(c) Payment of Claims to Condominium Owners.—The Administrator may not deny payment for any damage to or loss of property which is covered by flood insurance to condominium owners who purchased such flood insurance separate and apart from the flood insurance purchased by the condominium association in which such owner is a member, based solely, or in any part, on the flood insurance coverage of the condominium association or others on the overall property owned by the condominium association.”.

SEC. 117. TECHNICAL MAPPING ADVISORY COUNCIL.

(a) Establishment.—There is established a council to be known as the Technical Mapping Advisory Council (in this section referred to as the “Council”).
(b) **Membership.**—

(1) **IN GENERAL.**—The Council shall consist of the Administrator, or the designee thereof, and 17 additional members to be appointed by the Administrator or the designee of the Administrator, who shall be—

(A) the Under Secretary of Commerce for Oceans and Atmosphere (or the designee thereof);

(B) a member of a recognized professional surveying association or organization;

(C) a member of a recognized professional mapping association or organization;

(D) a member of a recognized professional engineering association or organization;

(E) a member of a recognized professional association or organization representing flood hazard determination firms;

(F) a representative of the United States Geological Survey;

(G) a representative of a recognized professional association or organization representing State geographic information;

(H) a representative of State national flood insurance coordination offices;
(I) a representative of the Corps of Engineers;

(J) the Secretary of the Interior (or the designee thereof);

(K) the Secretary of Agriculture (or the designee thereof);

(L) a member of a recognized regional flood and storm water management organization;

(M) a representative of a State agency that has entered into a cooperating technical partnership with the Administrator and has demonstrated the capability to produce flood insurance rate maps;

(N) a representative of a local government agency that has entered into a cooperating technical partnership with the Administrator and has demonstrated the capability to produce flood insurance rate maps;

(O) a member of a recognized floodplain management association or organization;

(P) a member of a recognized risk management association or organization; and

(Q) a State mitigation officer.
(2) QUALIFICATIONS.—Members of the Council shall be appointed based on their demonstrated knowledge and competence regarding surveying, cartography, remote sensing, geographic information systems, or the technical aspects of preparing and using flood insurance rate maps.

(c) DUTIES.—The Council shall—

(1) recommend to the Administrator how to improve in a cost-effective manner the—

(A) accuracy, general quality, ease of use, and distribution and dissemination of flood insurance rate maps and risk data; and

(B) performance metrics and milestones required to effectively and efficiently map flood risk areas in the United States;

(2) recommend to the Administrator mapping standards and guidelines for—

(A) flood insurance rate maps; and

(B) data accuracy, data quality, data currency, and data eligibility;

(3) recommend to the Administrator how to maintain, on an ongoing basis, flood insurance rate maps and flood risk identification;

(4) recommend procedures for delegating mapping activities to State and local mapping partners;
(5) recommend to the Administrator and other Federal agencies participating in the Council—

(A) methods for improving interagency and intergovernmental coordination on flood mapping and flood risk determination; and

(B) a funding strategy to leverage and coordinate budgets and expenditures across Federal agencies; and

(6) submit an annual report to the Administrator that contains—

(A) a description of the activities of the Council;

(B) an evaluation of the status and performance of flood insurance rate maps and mapping activities to revise and update flood insurance rate maps, as required under section 118; and

(C) a summary of recommendations made by the Council to the Administrator.

(d) Future Conditions Risk Assessment and Modeling Report.—

(1) In general.—The Council shall consult with scientists and technical experts, other Federal agencies, States, and local communities to—

(A) develop recommendations on how to—
(i) ensure that flood insurance rate maps incorporate the best available climate science to assess flood risks; and

(ii) ensure that the Federal Emergency Management Agency uses the best available methodology to consider the impact of—

(I) the rise in the sea level; and

(II) future development on flood risk; and

(B) not later than 1 year after the date of the enactment of this Act, prepare written recommendations in a future conditions risk assessment and modeling report and to submit such recommendations to the Administrator.

(2) Responsibility of the Administrator.—The Administrator, as part of the ongoing program to review and update National Flood Insurance Program rate maps under section 118, shall incorporate any future risk assessment submitted under paragraph (1)(B) in any such revision or update.

(e) Chairperson.—The members of the Council shall elect 1 member to serve as the chairperson of the Council (in this section referred to as the “Chairperson”).
(f) COORDINATION.—To ensure that the Council’s recommendations are consistent, to the maximum extent practicable, with national digital spatial data collection and management standards, the Chairperson shall consult with the Chairperson of the Federal Geographic Data Committee (established pursuant to Office of Management and Budget Circular A–16).

(g) COMPENSATION.—Members of the Council shall receive no additional compensation by reason of their service on the Council.

(h) MEETINGS AND ACTIONS.—

(1) IN GENERAL.—The Council shall meet not less frequently than twice each year at the request of the Chairperson or a majority of its members, and may take action by a vote of the majority of the members.

(2) INITIAL MEETING.—The Administrator, or a person designated by the Administrator, shall request and coordinate the initial meeting of the Council.

(i) OFFICERS.—The Chairperson may appoint officers to assist in carrying out the duties of the Council under subsection (e).

(j) STAFF.—
(1) **Staff of FEMA.**—Upon the request of the Chairperson, the Administrator may detail, on a nonreimbursable basis, personnel of the Federal Emergency Management Agency to assist the Council in carrying out its duties.

(2) **Staff of Other Federal Agencies.**—Upon request of the Chairperson, any other Federal agency that is a member of the Council may detail, on a nonreimbursable basis, personnel to assist the Council in carrying out its duties.

(k) **Powers.**—In carrying out this section, the Council may hold hearings, receive evidence and assistance, provide information, and conduct research, as it considers appropriate.

(l) **Report to Congress.**—The Administrator, on an annual basis, shall report to the Committee on Banking, Housing, and Urban Affairs of the Senate, the Committee on Financial Services of the House of Representatives, and the Office of Management and Budget on the—

(1) recommendations made by the Council;

(2) actions taken by the Federal Emergency Management Agency to address such recommendations to improve flood insurance rate maps and flood risk data; and
(3) any recommendations made by the Council that have been deferred or not acted upon, together with an explanatory statement.

SEC. 118. NATIONAL FLOOD MAPPING PROGRAM.

(a) REVIEWING, UPDATING, AND MAINTAINING MAPS.—The Administrator, in coordination with the Technical Mapping Advisory Council established under section 117, shall establish an ongoing program under which the Administrator shall review, update, and maintain National Flood Insurance Program rate maps in accordance with this section.

(b) MAPPING.—

(1) IN GENERAL.—In carrying out the program established under subsection (a), the Administrator shall—

(A) identify, review, update, maintain, and publish National Flood Insurance Program rate maps with respect to—

(i) all populated areas and areas of possible population growth located within the 100-year floodplain;

(ii) all populated areas and areas of possible population growth located within the 500-year floodplain;
(iii) areas of residual risk, including areas that are protected by levees, dams, and other flood control structures;

(iv) areas that could be inundated as a result of the failure of a levee, dam, or other flood control structure; and

(v) the level of protection provided by flood control structures;

(B) establish or update flood-risk zone data in all such areas, and make estimates with respect to the rates of probable flood caused loss for the various flood risk zones for each such area; and

(C) use, in identifying, reviewing, updating, maintaining, or publishing any National Flood Insurance Program rate map required under this section or under the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.), the most accurate topography and elevation data available.

(2) MAPPING ELEMENTS.—Each map updated under this section shall—

(A) assess the accuracy of current ground elevation data used for hydrologic and hydraulic modeling of flooding sources and mapping of
the flood hazard and wherever necessary acquire new ground elevation data utilizing the most up-to-date geospatial technologies in accordance with guidelines and specifications of the Federal Emergency Management Agency; and

(B) develop National Flood Insurance Program flood data on a watershed basis—

(i) to provide the most technically effective and efficient studies and hydrologic and hydraulic modeling; and

(ii) to eliminate, to the maximum extent possible, discrepancies in base flood elevations between adjacent political subdivisions.

(3) OTHER INCLUSIONS.—In updating maps under this section, the Administrator shall include—

(A) any relevant information on coastal inundation from—

(i) an applicable inundation map of the Corps of Engineers; and

(ii) data of the National Oceanic and Atmospheric Administration relating to storm surge modeling;
(B) any relevant information of the United States Geological Survey on stream flows, watershed characteristics, and topography that is useful in the identification of flood hazard areas, as determined by the Administrator;

(C) any relevant information on land subsidence, coastal erosion areas, and other floor-related hazards;

(D) any relevant information or data of the National Oceanic and Atmospheric Administration and the United States Geological Survey relating to the best available climate science and the potential for future inundation from sea level rise, increased precipitation, and increased intensity of hurricanes due to global warming; and

(E) any other relevant information as may be recommended by the Technical Mapping Advisory Committee.

(e) STANDARDS.—In updating and maintaining maps under this section, the Administrator shall—

(1) establish standards to—

(A) ensure that maps are adequate for—

(i) flood risk determinations; and
(ii) use by State and local governments in managing development to reduce
the risk of flooding; and

(B) facilitate identification and use of consistent methods of data collection and analysis
by the Administrator, in conjunction with State and local governments, in developing maps for
communities with similar flood risks, as determined by the Administrator; and

(2) publish maps in a format that is—

(A) digital geospatial data compliant;

(B) compliant with the open publishing and data exchange standards established by the
Open Geospatial Consortium; and

(C) aligned with official data defined by the National Geodetic Survey.

(d) COMMUNICATION AND OUTREACH.—

(1) IN GENERAL.—The Administrator shall—

(A) work to enhance communication and outreach to States, local communities, and
property owners about the effects—

(i) of any potential changes to National Flood Insurance Program rate maps
that may result from the mapping program
required under this section; and
(ii) that any such changes may have on flood insurance purchase requirements; and

(B) engage with local communities to enhance communication and outreach to the residents of such communities on the matters described under subparagraph (A).

(2) REQUIRED ACTIVITIES.—The communication and outreach activities required under paragraph (1) shall include—

(A) notifying property owners when their properties become included in, or when they are excluded from, an area covered by the mandatory flood insurance purchase requirement under section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a);

(B) educating property owners regarding the flood risk and reduction of this risk in their community, including the continued flood risks to areas that are no longer subject to the flood insurance mandatory purchase requirement;

(C) educating property owners regarding the benefits and costs of maintaining or acquiring flood insurance, including, where applicable, lower-cost preferred risk policies under the Na-
tional Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.) for such properties and the conten-
tents of such properties;

(D) educating property owners about flood
map revisions and the process available to such
owners to appeal proposed changes in flood elev-
vations through their community; and

(E) encouraging property owners to main-
tain or acquire flood insurance coverage.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is
authorized to be appropriated to the Administrator to
carry out this section $400,000,000 for each of fiscal
years 2012 through 2016.

SEC. 119. SCOPE OF APPEALS.

Section 1363 of the National Flood Insurance Act of
1968 (42 U.S.C. 4104) is amended—

(1) in subsection (a)—

(A) in the heading, by inserting “AND
DESIGNATIONS OF SPECIAL FLOOD HAZARD
AREAS” after “ELEVATION DETERMINATIONS”;

(B) by inserting “and designating special
flood hazard areas” after “flood elevations”;

and
(C) by striking “such determinations” and inserting “such determinations and designations”; and
(2) in subsection (b)—
(A) in the heading, by inserting “AND DESIGNATIONS OF SPECIAL FLOOD HAZARD AREAS” after “ELEVATION DETERMINATIONS”;
(B) in the first sentence, by inserting “and designation of special flood hazard areas” after “flood elevation determinations”; and
(C) by amending the third sentence to read as follows: “The sole grounds for appeal shall be the possession of knowledge or information indicating that (1) the elevations being proposed by the Administrator with respect to an identified area having special flood hazards are scientifically or technically incorrect, or (2) the designation of an identified special flood hazard area is scientifically or technically incorrect.”

SEC. 120. SCIENTIFIC RESOLUTION PANEL.
(a) ESTABLISHMENT.—The National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.) is amended by inserting after section 1363 (42 U.S.C. 4104) the following:
“SEC. 1363A. SCIENTIFIC RESOLUTION PANEL.

“(a) Availability.—

“(1) In general.—Pursuant to the authority provided under section 1363(e), the Administrator shall make available an independent review panel, to be known as the Scientific Resolution Panel, to any community—

“(A) that has—

“(i) filed a timely map appeal in accordance with section 1363;

“(ii) completed 60 days of consultation with the Federal Emergency Management Agency on the appeal; and

“(iii) not allowed more than 120 days, or such longer period as may be provided by the Administrator by waiver, to pass since the end of the appeal period; or

“(B) that has received an unsatisfactory ruling under the map revision process established pursuant to section 1360(f).

“(2) Appeals by owners and lessees.—If a community and an owner or lessee of real property within the community appeal a proposed determination of a flood elevation under section 1363(b), upon the request of the community—
“(A) the owner or lessee shall submit scientific and technical data relating to the appeals to the Scientific Resolution Panel; and

“(B) the Scientific Resolution Panel shall make a determination with respect to the appeals in accordance with subsection (c).

“(3) DEFINITION.—For purposes of paragraph (1)(B), an ‘unsatisfactory ruling’ means that a community—

“(A) received a revised Flood Insurance Rate Map from the Federal Emergency Management Agency, via a Letter of Final Determination, after September 30, 2008 and prior to the date of enactment of this section;

“(B) has subsequently applied for a Letter of Map Revision or Physical Map Revision with the Federal Emergency Management Agency; and

“(C) has received an unfavorable ruling on their request for a map revision.

“(b) MEMBERSHIP.—The Scientific Resolution Panel made available under subsection (a) shall consist of 5 members with expertise that relate to the creation and study of flood hazard maps and flood insurance. The Scientific Resolution Panel may include representatives from
Federal agencies not involved in the mapping study in question and from other impartial experts. Employees of the Federal Emergency Management Agency may not serve on the Scientific Resolution Panel.

“(c) Determination.—

“(1) In general.—Following deliberations, and not later than 90 days after its formation, the Scientific Resolution Panel shall issue a determination of resolution of the dispute. Such determination shall set forth recommendations for the base flood elevation determination or the determination of an area having special flood hazards that shall be reflected in the Flood Insurance Rate Maps.

“(2) Basis.—The determination of the Scientific Resolution Panel shall be based on—

“(A) data previously provided to the Administrator by the community, and, in the case of a dispute submitted under subsection (a)(2), an owner or lessee of real property in the community; and

“(B) data provided by the Administrator.

“(3) No alternative determinations permissible.—The Scientific Resolution Panel—

“(A) shall provide a determination of resolution of a dispute that—

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“(i) is either in favor of the Administrator or in favor of the community on each distinct element of the dispute; or

“(ii) in the case of a dispute submitted under subsection (a)(2), is in favor of the Administrator, in favor of the community, or in favor of the owner or lessee of real property in the community on each distinct element of the dispute; and

“(B) may not offer as a resolution any other alternative determination.

“(4) Effect of Determination.—

“(A) Binding.—The recommendations of the Scientific Resolution Panel shall be binding on all appellants and not subject to further judicial review unless the Administrator determines that implementing the determination of the panel would—

“(i) pose a significant threat due to failure to identify a substantial risk of special flood hazards; or

“(ii) violate applicable law.

“(B) Written Justification Not to Enforce.—If the Administrator elects not to implement the determination of the Scientific
Resolution Panel pursuant to subparagraph (A), then not later than 60 days after the issuance of the determination, the Administrator shall issue a written justification explaining such election.

“(C) Appeal of determination not to enforce.—If the Administrator elects not to implement the determination of the Scientific Resolution Panel pursuant to subparagraph (A), the community may appeal the determination of the Administrator as provided for under section 1363(g).

“(d) Maps used for insurance and mandatory purchase requirements.—With respect to any community that has a dispute that is being considered by the Scientific Resolution Panel formed pursuant to this subsection, the Federal Emergency Management Agency shall ensure that for each such community that—

“(1) the Flood Insurance Rate Map described in the most recently issued Letter of Final Determination shall be in force and effect with respect to such community; and

“(2) flood insurance shall continue to be made available to the property owners and residents of the participating community.”.
(b) **Conforming Amendments.**—

1. **Administrative Review.**—Section 1363(e) of the National Flood Insurance Act of 1968 (42 U.S.C. 4104(e)) is amended by striking “an independent scientific body or appropriate Federal agency for advice” and inserting “the Scientific Resolution Panel provided for in section 1363A”.

2. **Judicial Review.**—The first sentence of section 1363(g) of the National Flood Insurance Act of 1968 (42 U.S.C. 4104(g)) is amended by striking “Any appellant” and inserting “Except as provided in section 1363A, any appellant”.

**SEC. 121. REMOVAL OF LIMITATION ON STATE CONTRIBUTIONS FOR UPDATING FLOOD MAPS.**

Section 1360(f)(2) of the National Flood Insurance Act of 1968 (42 U.S.C. 4101(f)(2)) is amended by striking “, but which may not exceed 50 percent of the cost of carrying out the requested revision or update”.

**SEC. 122. COORDINATION.**

(a) **Interagency Budget Crosscut and Coordination Report.**—

1. **In General.**—The Secretary of Homeland Security, the Administrator, the Director of the Office of Management and Budget, and the heads of each Federal department or agency carrying out ac-
activities under sections 118 and 119 shall work to-
tgether to ensure that flood risk determination data
and geospatial data are shared among Federal agen-
cies in order to coordinate the efforts of the Nation
to reduce its vulnerability to flooding hazards.

(2) REPORT.—Not later than 30 days after the
submission of the budget of the United States Gov-
ernment by the President to Congress, the Director
of the Office of Management and Budget, in coordi-
nation with the Federal Emergency Management
Agency, the United States Geological Survey, the
National Oceanic and Atmospheric Administration,
the Army Corps of Engineers, and other Federal
agencies, as appropriate, shall submit to the appro-
priate authorizing and appropriating committees of
the Senate and the House of Representatives an
interagency budget crosscut and coordination report,
certified by the Secretary or head of each such agen-
cy, that—

(A) contains an interagency budget cross-
cut report that displays relevant sections of the
budget proposed for each of the Federal agen-
cies working on flood risk determination data
and digital elevation models, including any
planned interagency or intra-agency transfers; and

(B) describes how the efforts aligned with such sections complement one another.

(b) DUTIES OF THE ADMINISTRATOR.—In carrying out sections 118 and 119, the Administrator shall—

(1) participate, pursuant to section 216 of the E–Government Act of 2002 (44 U.S.C. 3501 note), in the establishment of such standards and common protocols as are necessary to assure the interoperability of geospatial data for all users of such information;

(2) coordinate with, seek assistance and cooperation of, and provide a liaison to the Federal Geographic Data Committee pursuant to the Office of Management and Budget Circular A–16 and Executive Order 12906 (43 U.S.C. 1457 note; relating to the National Spatial Data Infrastructure) for the implementation of and compliance with such standards;

(3) integrate with, leverage, and coordinate funding of, to the maximum extent practicable, the current flood mapping activities of each unit of State and local government;
(4) integrate with, leverage, and coordinate, to the maximum extent practicable, the current geospatial activities of other Federal agencies and units of State and local government; and

(5) develop a funding strategy to leverage and coordinate budgets and expenditures, and to maintain or establish joint funding and other agreement mechanisms with other Federal agencies and units of State and local government to share in the collection and utilization of geospatial data among all governmental users.

SEC. 123. INTERAGENCY COORDINATION STUDY.

(a) In general.—The Administrator shall enter into a contract with the National Academy of Public Administration to conduct a study on how the Federal Emergency Management Agency—

(1) should improve interagency and intergovernmental coordination on flood mapping, including a funding strategy to leverage and coordinate budgets and expenditures; and

(2) can establish joint funding mechanisms with other Federal agencies and units of State and local government to share the collection and utilization of data among all governmental users.
(b) Timing.—Not later than 180 days after the date of the enactment of this title, the National Academy of Public Administration shall report the findings of the study required under subsection (a) to—

(1) the Committee on Banking, Housing, and Urban Affairs of the Senate;
(2) the Committee on Financial Services of the House of Representatives;
(3) the Committee on Appropriations of the Senate; and
(4) the Committee on Appropriations of the House of Representatives.

SEC. 124. NONMANDATORY PARTICIPATION.

(a) Nonmandatory Participation in National Flood Insurance Program for 500-Year Floodplain.—Any area located within the 500-year floodplain shall not be subject to the mandatory purchase requirements of sections 102 or 202 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a and 4106).

(b) Notice.—

(1) By Administrator.—In carrying out the National Flood Insurance Program, the Administrator shall provide notice to any community located in an area within the 500-year floodplain.
(2) Timing of Notice.—The notice required under paragraph (1) shall be made not later than 6 months after the date of completion of the initial mapping of the 500-year floodplain, as required under section 118.

(3) Lender Required Notice.—

(A) Regulated Lending Institutions.—Each Federal or State entity for lending regulation (after consultation and coordination with the Federal Financial Institutions Examination Council) shall, by regulation, require regulated lending institutions, as a condition of making, increasing, extending, or renewing any loan secured by property located in an area within the 500-year floodplain, to notify the purchaser or lessee (or obtain satisfactory assurances that the seller or lessor has notified the purchaser or lessee) and the servicer of the loan that such property is located in an area within the 500-year floodplain, in a manner that is consistent with, and substantially identical to, the notice required under section 1364(a)(1) of the National Flood Insurance Act of 1968 (42 U.S.C. 4104a(a)(1)).
(B) Federal or state agency lenders.—Each Federal or State agency lender shall, by regulation, require notification in the same manner as provided under subparagraph (A) with respect to any loan that is made by a Federal or State agency lender and secured by property located in an area within the 500-year floodplain.

(C) Penalty for noncompliance.—Any regulated lending institution or Federal or State agency lender that fails to comply with the notice requirements established by this paragraph shall be subject to the penalties prescribed under section 102(f)(5) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(f)(5)).

SEC. 125. NOTICE OF FLOOD INSURANCE AVAILABILITY UNDER RESPA.

Section 5(b) of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2604(b)), as amended by section 1450 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111–203; 124 Stat. 2174), is amended by adding at the end the following:

“(14) An explanation of flood insurance and the availability of flood insurance under the National
Flood Insurance Program, whether or not the real
estate is located in an area having special flood haz-
ards.”.

SEC. 126. PARTICIPATION IN STATE DISASTER CLAIMS ME-
DIATION PROGRAMS.

Chapter I of the National Flood Insurance Act of
1968 (42 U.S.C. 4011 et seq.) is amended by inserting
after section 1313 (42 U.S.C. 4020) the following:

“SEC. 1314. PARTICIPATION IN STATE DISASTER CLAIMS
MEDICATION PROGRAMS.

“(a) REQUIREMENT TO PARTICIPATE.—In the case
of the occurrence of a major disaster, as defined in section
102 of the Robert T. Stafford Disaster Relief and Emer-
gency Assistance Act (42 U.S.C. 5122), that may have
resulted in flood damage covered under the flood insurance
program established under this chapter and other personal
lines residential property insurance coverage offered by a
State regulated insurer, upon a request made by the insur-
ance commissioner of a State (or such other official re-
sponsible for regulating the business of insurance in the
State) for the participation of representatives of the Ad-
ministrator in a program sponsored by such State for non-
binding mediation of insurance claims resulting from a
major disaster, the Administrator shall cause representa-
tives of the flood insurance program to participate in such
a State program where claims under the flood insurance program are involved to expedite settlement of flood damage claims resulting from such disaster.

“(b) EXTENT OF PARTICIPATION.—In satisfying the requirements of subsection (a), the Administrator shall require that each representative of the Administrator—

“(1) be certified for purposes of the flood insurance program to settle claims against such program resulting from such disaster in amounts up to the limits of policies under such program;

“(2) attend State-sponsored mediation meetings regarding flood insurance claims resulting from such disaster at such times and places as may be arranged by the State;

“(3) participate in good faith negotiations toward the settlement of such claims with policyholders of coverage made available under the flood insurance program; and

“(4) finalize the settlement of such claims on behalf of the flood insurance program with such policyholders.

“(c) COORDINATION.—Representatives of the Administrator shall at all times coordinate their activities with insurance officials of the State and representatives of insurers for the purposes of consolidating and expediting
settlement of claims under the national flood insurance program resulting from such disaster.

“(d) Qualifications of Mediators.—Each State mediator participating in State-sponsored mediation under this section shall be—

“(1)(A) a member in good standing of the State bar in the State in which the mediation is to occur with at least 2 years of practical experience; and

“(B) an active member of such bar for at least 1 year prior to the year in which such mediator’s participation is sought; or

“(2) a retired trial judge from any United States jurisdiction who was a member in good standing of the bar in the State in which the judge presided for at least 5 years prior to the year in which such mediator’s participation is sought.

“(e) Mediation Proceedings and Documents Privileged.—As a condition of participation, all statements made and documents produced pursuant to State-sponsored mediation involving representatives of the Administrator shall be deemed privileged and confidential settlement negotiations made in anticipation of litigation.

“(f) Liability, Rights, or Obligations Not Affected.—Participation in State-sponsored mediation, as described in this section does not—
“(1) affect or expand the liability of any party in contract or in tort; or

“(2) affect the rights or obligations of the parties, as established—

“(A) in any regulation issued by the Administrator, including any regulation relating to a standard flood insurance policy;

“(B) under this Act; and

“(C) under any other provision of Federal law.

“(g) Exclusive Federal Jurisdiction.—Participation in State-sponsored mediation shall not alter, change, or modify the original exclusive jurisdiction of United States courts, as set forth in this Act.

“(h) Cost Limitation.—Nothing in this section shall be construed to require the Administrator or a representative of the Administrator to pay additional mediation fees relating to flood insurance claims associated with a State-sponsored mediation program in which such representative of the Administrator participates.

“(i) Exception.—In the case of the occurrence of a major disaster that results in flood damage claims under the national flood insurance program and that does not result in any loss covered by a personal lines residential property insurance policy—
“(1) this section shall not apply; and

“(2) the provisions of the standard flood insurance policy under the national flood insurance program and the appeals process established under section 205 of the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 (42 U.S.C. 4011 note) and the regulations issued pursuant to such section shall apply exclusively.

“(j) REPRESENTATIVES OF THE ADMINISTRATOR.—For purposes of this section, the term ‘representatives of the Administrator’ means representatives of the national flood insurance program who participate in the appeals process established under section 205 of the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 (42 U.S.C. 4011 note).”.

SEC. 127. ADDITIONAL AUTHORITY OF FEMA TO COLLECT INFORMATION ON CLAIMS PAYMENTS.

(a) IN GENERAL.—The Administrator shall collect, from property and casualty insurance companies that are authorized by the Administrator to participate in the Write Your Own program any information and data needed to determine the accuracy of the resolution of flood claims filed on any property insured with a standard flood insurance policy obtained under the program that was subject to a flood.
(b) Type of Information To Be Collected.—
The information and data to be collected under subsection (a) may include—

(1) any adjuster estimates made as a result of flood damage, and if the insurance company also insures the property for wind damage—

(A) any adjuster estimates for both wind and flood damage;

(B) the amount paid to the property owner for wind and flood claims;

(C) the total amount paid to the policyholder for damages as a result of the event that caused the flooding and other losses;

(2) any amounts paid to the policyholder by the insurance company for damages to the insured property other than flood damages; and

(3) the total amount paid to the policyholder by the insurance company for all damages incurred to the insured property as a result of the flood.

SEC. 128. OVERSIGHT AND EXPENSE REIMBURSEMENTS OF INSURANCE COMPANIES.

(a) Submission of Biennial Reports.—

(1) To the Administrator.—Not later than 20 days after the date of the enactment of this Act, each property and casualty insurance company that
is authorized by the Administrator to participate in
the Write Your Own program shall submit to the
Administrator any biennial report required by the
Federal Emergency Management Agency to be pre-
pared in the prior 5 years by such company.

(2) To GAO.—Not later than 10 days after the
submission of the biennial reports under paragraph
(1), the Administrator shall submit all such reports
to the Comptroller General of the United States.

(3) Notice to Congress of Failure to Com-
ply.—The Administrator shall notify and report to
the Committee on Banking, Housing, and Urban Af-
fairs of the Senate and the Committee on Financial
Services of the House of Representatives on any
property and casualty insurance company partici-
pating in the Write Your Own program that failed
to submit its biennial reports as required under
paragraph (1).

(4) Failure to Comply.—A property and cas-
ualty insurance company that is authorized by the
Administrator to participate in the Write Your Own
program which fails to comply with the reporting re-
quirement under this subsection or the requiremen-
t under section 62.23(j)(1) of title 44, Code of Fed-
eral Regulations (relating to biennial audit of the
flood insurance financial statements) shall be subject to a civil penalty in an amount equal to $1,000 per day for each day that the company remains in non-compliance with either such requirement.

(b) Methodology To Determine Reimbursed Expenses.—Not later than 180 days after the date of the enactment of this Act, the Administrator shall develop a methodology for determining the appropriate amounts that participating property and casualty insurance companies should be reimbursed for selling, writing, and servicing flood insurance policies and adjusting flood insurance claims on behalf of the National Flood Insurance Program. The methodology shall be developed using actual expense data for the flood insurance line and can be derived from—

(1) flood insurance expense data produced by participating property and casualty insurance companies;

(2) flood insurance expense data collected by the National Association of Insurance Commissioners; or

(3) a combination of the methodologies described in paragraphs (1) and (2).

(c) Submission of Expense Reports.—To develop the methodology established under subsection (b), the Ad-
ministrator may require each property and casualty insurance company participating in the Write Your Own program to submit a report to the Administrator, in a format determined by the Administrator and within 60 days of the request, that details the expense levels of each such company for selling, writing, and servicing standard flood insurance policies and adjusting and servicing claims.

(d) FEMA RULEMAKING ON REIMBURSEMENT OF EXPENSES UNDER THE WYO PROGRAM.—Not later than 12 months after the date of the enactment of this Act, the Administrator shall conduct a rulemaking proceeding to formulate revised expense reimbursements to property and casualty insurance companies participating in the Write Your Own program for their expenses (including their operating and administrative expenses for adjustment of claims) in selling, writing, and servicing standard flood insurance policies, including how such companies shall be reimbursed in both catastrophic and noncatastrophic years. Such reimbursements shall be structured to ensure reimbursements track the actual expenses, including standard business costs and operating expenses, of such companies as close as practicably possible.

(e) REPORT OF THE ADMINISTRATOR.—Not later than 60 days after the effective date of any final rule established pursuant to subsection (d), 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 containing—

(1) the specific rationale and purposes of such rule;

(2) the reasons for the adoption of the policies contained in such rule; and

(3) the degree to which such rule accurately represents the true operating costs and expenses of property and casualty insurance companies participating in the Write Your Own program.

(f) GAO Study and Report on Expenses of WYO Program.—

(1) Study.—Not later than 180 days after the effective date of the final rule established pursuant to subsection (d), the Comptroller General of the United States shall—

(A) conduct a study on the efficacy, adequacy, and sufficiency of the final rules established pursuant to subsection (d); and

(B) report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the
House of Representatives on the findings of the study conducted under subparagraph (A).

(2) GAO AUTHORITY.—In conducting the study and report required under paragraph (1), the Comptroller General—

(A) may use any previous findings, studies, or reports that the Comptroller General previously completed on the Write Your Own program;

(B) shall determine if—

(i) the final rules established pursuant to subsection (d) allow the Federal Emergency Management Agency to access adequate information regarding the actual expenses of property and casualty insurance companies participating in the Write Your Own program; and

(ii) the actual reimbursements paid out under the final rule established in subsection (d) accurately reflect the expenses reported by property and casualty insurance companies participating in the Write Your Own program, including the standard business costs and operating expenses of such companies; and
(C) shall analyze the effect of such rules on the level of participation of property and casualty insurers in the Write Your Own program.

SEC. 129. MITIGATION.

(a) Mitigation Assistance Grants.—Section 1366 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c) is amended—

(1) by striking subsections (b), (d), (f), (g), (h), (k), and (m);

(2) by redesignating subsections (c), (e), (i), and (j) as subsections (b), (c), (e), and (f), respectively;

(3) in subsection (a), by striking the last sentence and inserting the following: “Such financial assistance shall be made available—

“(1) to States and communities in the form of grants under this section for carrying out mitigation activities;

“(2) to States and communities in the form of grants under this section for carrying out mitigation activities that reduce flood damage to severe repetitive loss structures; and

“(3) to property owners in the form of direct grants under this section for carrying out mitigation
activities that reduce flood damage to individual structures for which 2 or more claim payments for losses have been made under flood insurance coverage under this title if the Administrator, after consultation with the State and community, determines that neither the State nor community in which such a structure is located has the capacity to manage such grants.”;

(4) in subsection (b), as so redesignated, in the first sentence—

(A) by striking “and provides protection against” and inserting “provides for reduction of”; and

(B) by inserting before the period at the end the following: “, and may be included in a multi-hazard mitigation plan”;

(5) in subsection (c), as so redesignated—

(A) in paragraph (1), by striking “(1) USE OF AMOUNTS.—” and all that follows through the end of the first sentence and inserting the following:

“(1) REQUIREMENT OF CONSISTENCY WITH APPROVED MITIGATION PLAN.—Amounts provided under this section may be used only for mitigation activities that are consistent with mitigation plans
that are approved by the Administrator and identified under paragraph (4).”;

(B) by striking paragraphs (2), (3), and (4) and inserting the following new paragraphs:

“(2) REQUIREMENTS OF TECHNICAL FEASIBILITY, COST EFFECTIVENESS, AND INTEREST OF NFIF.—The Administrator may approve only mitigation activities that the Administrator determines are technically feasible and cost-effective and in the interest of, and represent savings to, the National Flood Insurance Fund. In making such determinations, the Administrator shall take into consideration recognized ancillary benefits.

“(3) PRIORITY FOR MITIGATION ASSISTANCE.—In providing grants under this section for mitigation activities, the Administrator shall give priority for funding to activities that the Administrator determines will result in the greatest savings to the National Flood Insurance Fund, including activities for—

“(A) severe repetitive loss structures;

“(B) repetitive loss structures; and

“(C) other subsets of structures as the Administrator may establish.”;
(C) by redesignating paragraph (5) as paragraph (4);

(D) in paragraph (4), as so redesignated—

(i) in the matter preceding subparagraph (A), by striking “The Director” and all that follows through “Such activities may” and inserting “Eligible activities under a mitigation plan may”;

(ii) by striking subparagraphs (E) and (H);

(iii) by redesignating subparagraphs (D), (F), and (G) as subparagraphs (E), (G), and (H), respectively;

(iv) by inserting after subparagraph (C) the following new subparagraph:

“(D) elevation, relocation, or floodproofing of utilities (including equipment that serve structures);”;

(v) by inserting after subparagraph (E), as so redesignated, the following new subparagraph:

“(F) the development or update of mitigation plans by a State or community which meet the planning criteria established by the Administrator, except that the amount from grants
under this section that may be used under this subparagraph may not exceed $50,000 for any mitigation plan of a State or $25,000 for any mitigation plan of a community;”;

(vi) in subparagraph (H); as so redesignated, by striking “and” at the end; and

(vii) by adding at the end the following new subparagraphs:

“(I) other mitigation activities not described in subparagraphs (A) through (G) or the regulations issued under subparagraph (H), that are described in the mitigation plan of a State or community; and

“(J) without regard to the requirements under subsections (d)(1) and (d)(2), and if the State applied for and was awarded at least $1,000,000 in grants available under this section in the prior fiscal year, technical assistance to communities to identify eligible activities, to develop grant applications, and to implement grants awarded under this section, not to exceed $50,000 to any one State in any fiscal year.”;

(E) by adding at the end the following new paragraph:
“(5) Eligibility of demolition and rebuilding of properties.—The Administrator shall consider as an eligible activity the demolition and rebuilding of properties to at least base flood elevation or greater, if required by the Administrator or if required by any State regulation or local ordinance, and in accordance with criteria established by the Administrator.”; and

(6) by inserting after subsection (e), as so redesignated, the following new subsection:

“(d) Matching Requirement.—The Administrator may provide grants for eligible mitigation activities as follows:

“(1) Severe repetitive loss structures.—In the case of mitigation activities to severe repetitive loss structures, in an amount up to 100 percent of all eligible costs.

“(2) Repetitive loss structures.—In the case of mitigation activities to repetitive loss structures, in an amount up to 90 percent of all eligible costs.

“(3) Other mitigation activities.—In the case of all other mitigation activities, in an amount up to 75 percent of all eligible costs.”;

(7) in subsection (e)(2), as so redesignated—
(A) by striking “certified under subsection (g)” and inserting “required under subsection (d)”; and

(B) by striking “3 times the amount” and inserting “the amount”;

(8) in subsection (f)(1), as so redesignated, by striking “Riegle Community Development and Regulatory Improvement Act of 1994” and inserting “Flood Insurance Reform and Modernization Act of 2011”; and

(9) by adding at the end the following new subsections:

“(g) FAILURE TO MAKE GRANT AWARD WITHIN 5 YEARS.—For any application for a grant under this section for which the Administrator fails to make a grant award within 5 years of the date of the application, the grant application shall be considered to be denied and any funding amounts allocated for such grant applications shall remain in the National Flood Mitigation Fund under section 1367 of this title and shall be made available for grants under this section.

“(h) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

“(1) COMMUNITY.—The term ‘community’ means—
“(A) a political subdivision that—

“(i) has zoning and building code jurisdic-
tion over a particular area having special flood hazards; and

“(ii) is participating in the national flood insurance program; or

“(B) a political subdivision of a State, or other authority, that is designated by political subdivisions, all of which meet the requirements of subparagraph (A), to administer grants for mitigation activities for such political subdivi-
sions.

“(2) Repetitive loss structure.—The term ‘repetitive loss structure’ has the meaning given such term in section 1370.

“(3) Severe repetitive loss structure.—The term ‘severe repetitive loss structure’ means a structure that—

“(A) is covered under a contract for flood insurance made available under this title; and

“(B) has incurred flood-related damage—

“(i) for which 4 or more separate claims payments have been made under flood insurance coverage under this title, with the amount of each such claim ex-
ceeding $5,000, and with the cumulative amount of such claims payments exceeding $20,000; or

“(ii) for which at least 2 separate claims payments have been made under such coverage, with the cumulative amount of such claims exceeding the value of the insured structure.”.


(c) Elimination of Pilot Program for Mitigation of Severe Repetitive Loss Properties.—Chapter III of the National Flood Insurance Act of 1968 is amended by striking section 1361A (42 U.S.C. 4102a).

(d) National Flood Insurance Fund.—Section 1310(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(a)) is amended—

(1) in paragraph (6), by inserting “and” after the semicolon;

(2) in paragraph (7), by striking the semicolon and inserting a period; and

(3) by striking paragraphs (8) and (9).
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(e) National Flood Mitigation Fund.—Section 1367 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104d) is amended—

(1) in subsection (b)—

(A) by striking paragraph (1) and inserting the following new paragraph:

“(1) in each fiscal year, amounts from the National Flood Insurance Fund not to exceed $90,000,000 and to remain available until expended, of which—

“(A) not more than $40,000,000 shall be available pursuant to subsection (a) of this section for assistance described in section 1366(a)(1);

“(B) not more than $40,000,000 shall be available pursuant to subsection (a) of this section for assistance described in section 1366(a)(2); and

“(C) not more than $10,000,000 shall be available pursuant to subsection (a) of this section for assistance described in section 1366(a)(3);”; and

(B) in paragraph (3), by striking “section 1366(i)” and inserting “section 1366(e)”;

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(2) in subsection (c), by striking “sections 1366
and 1323” and inserting “section 1366”;

(3) by redesignating subsections (d) and (e) as
subsections (f) and (g), respectively; and

(4) by inserting after subsection (e) the fol-
lowing new subsections:

“(d) PROHIBITION ON OFFSETTING COLLECTIONS.—
Notwithstanding any other provision of this title, amounts
made available pursuant to this section shall not be sub-
ject to offsetting collections through premium rates for
flood insurance coverage under this title.

“(e) CONTINUED AVAILABILITY AND REALLOCA-
tion.—Any amounts made available pursuant to subpara-
graph (A), (B), or (C) of subsection (b)(1) that are not
used in any fiscal year shall continue to be available for
the purposes specified in such subparagraph of subsection
(b)(1) pursuant to which such amounts were made avail-
able, unless the Administrator determines that realloca-
tion of such unused amounts to meet demonstrated need
for other mitigation activities under section 1366 is in the
best interest of the National Flood Insurance Fund.”.

(f) INCREASED COST OF COMPLIANCE COVERAGE.—
Section 1304(b)(4) of the National Flood Insurance Act
of 1968 (42 U.S.C. 4011(b)(4)) is amended—

(1) by striking subparagraph (B); and
(2) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (B), (C), and (D), respectively.

SEC. 130. FLOOD PROTECTION STRUCTURE ACCREDITATION TASK FORCE.

(a) DEFINITIONS.—In this section—

(1) the term “flood protection structure accreditation requirements” means the requirements established under section 65.10 of title 44, Code of Federal Regulations, for levee systems to be recognized on maps created for purposes of the National Flood Insurance Program;

(2) the term “National Committee on Levee Safety” means the Committee on Levee Safety established under section 9003 of the National Levee Safety Act of 2007 (33 U.S.C. 3302); and

(3) the term “task force” means the Flood Protection Structure Accreditation Task Force established under subsection (b).

(b) ESTABLISHMENT.—

(1) IN GENERAL.—The Administrator and the Secretary of the Army, acting through the Chief of Engineers, in cooperation with the National Committee on Levee Safety, shall jointly establish a
Flood Protection Structure Accreditation Task Force.

(2) Duties.—

(A) Developing Process.—The task force shall develop a process to better align the information and data collected by or for the United States Army Corps of Engineers under the Inspection of Completed Works Program with the flood protection structure accreditation requirements so that—

(i) information and data collected for either purpose can be used interchangeably; and

(ii) information and data collected by or for the United States Army Corps of Engineers under the Inspection of Completed Works Program is sufficient to satisfy the flood protection structure accreditation requirements.

(B) Gathering Recommendations.—The task force shall gather, and consider in the process developed under subparagraph (A), recommendations from interested persons in each region relating to the information, data, and ac-
creditation requirements described in subpara-
graph (A).

(3) CONSIDERATIONS.—In developing the proc-
ess under paragraph (2), the task force shall con-
sider changes to—

(A) the information and data collected by
or for the United States Army Corps of Engi-
eers under the Inspection of Completed Works
Program; and

(B) the flood protection structure accredi-
tation requirements.

(4) RULE OF CONSTRUCTION.—Nothing in this
section shall be construed to require a reduction in
the level of public safety and flood control provided
by accredited levees, as determined by the Adminis-
trator for purposes of this section.

(c) IMPLEMENTATION.—The Administrator and the
Secretary of the Army, acting through the Chief of Engi-
eers, shall implement the process developed by the task
force under subsection (b).

(d) REPORTS.—The Administrator and the Secretary
of the Army, acting through the Chief of Engineers, in
cooperation with the National Committee on Levee Safety,
shall jointly submit to the Committee on Banking, Hous-
ing, and Urban Affairs and the Committee on Environ-
ment and Public Works of the Senate and the Committee on Financial Services, the Committee on Transportation and Infrastructure, and the Committee on Natural Resources of the House of Representatives reports concerning the activities of the task force and the implementation of the process developed by the task force under subsection (b), including—

(1) an interim report, not later than 180 days after the date of enactment of this Act; and

(2) a final report, not later than 1 year after the date of enactment of this Act.

(e) TERMINATION.—The task force shall terminate on the date of submission of the report under subsection (d)(2).

SEC. 131. FLOOD IN PROGRESS DETERMINATIONS.

(a) REPORT.—

(1) REVIEW.—The Administrator shall review—

(A) the processes and procedures for determining that a flood event has commenced or is in progress for purposes of flood insurance coverage made available under the National Flood Insurance Program;

(B) the processes and procedures for providing public notification that such a flood event has commenced or is in progress;
(C) the processes and procedures regarding
the timing of public notification of flood insur-
ance requirements and availability; and

(D) the effects and implications that
weather conditions, including rainfall, snowfall,
projected snowmelt, existing water levels, and
other conditions, have on the determination
that a flood event has commenced or is in
progress.

(2) REPORT.—Not later than 6 months after
the date of enactment of this Act, the Administrator
shall submit a report to Congress that describes—

(A) the results and conclusions of the re-
view under paragraph (1); and

(B) any actions taken, or proposed actions
to be taken, by the Administrator to provide for
more precise and technical processes and proce-
dures for determining that a flood event has
commenced or is in progress.

(b) EFFECTIVE DATE OF POLICIES COVERING PROP-
ERTIES AFFECTED BY FLOODING OF THE MISSOURI
RIVER IN 2011.—

(1) ELIGIBLE COVERAGE.—For purposes of this
subsection, the term “eligible coverage” means cov-
erage under a new contract for flood insurance cov-
erage under the National Flood Insurance Program, or a modification to coverage under an existing flood insurance contract, for property damaged by the flooding of the Missouri River that commenced on June 1, 2011, that was purchased or made during the period beginning May 1, 2011, and ending June 6, 2011.

(2) EFFECTIVE DATES.—Notwithstanding section 1306(c) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(c)), or any other provision of law, any eligible coverage shall—

(A) be deemed to take effect on the date that is 30 days after the date on which all obligations for the eligible coverage (including completion of the application and payment of any initial premiums owed) are satisfactorily completed; and

(B) cover damage to property occurring after the effective date described in subparagraph (A) that resulted from the flooding of the Missouri River that commenced on June 1, 2011, if the property did not suffer damage or loss as a result of such flooding before the effective date described in subparagraph (A).
SEC. 132. CLARIFICATION OF RESIDENTIAL AND COMMERCIAL COVERAGE LIMITS.

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

(1) in paragraph (2)—

(A) by striking “in the case of any residential property” and inserting “in the case of any residential building designed for the occupancy of from one to four families”; and

(B) by striking “shall be made available to every insured upon renewal and every applicant for insurance so as to enable such insured or applicant to receive coverage up to a total amount (including such limits specified in paragraph (1)(A)(i)) of $250,000” and inserting “shall be made available, with respect to any single such building, up to an aggregate liability (including such limits specified in paragraph (1)(A)(i)) of $250,000”; and

(2) in paragraph (4)—

(A) by striking “in the case of any nonresidential property, including churches,” and inserting “in the case of any nonresidential building, including a church,”; and

(B) by striking “shall be made available to every insured upon renewal and every applicant
for insurance, in respect to any single structure,
up to a total amount (including such limit spec-
ified in subparagraph (B) or (C) of paragraph
(1), as applicable) of $500,000 for each struc-
ture and $500,000 for any contents related to
each structure” and inserting “shall be made
available with respect to any single such build-
ing, up to an aggregate liability (including such
limits specified in subparagraph (B) or (C) of
paragraph (1), as applicable) of $500,000, and
coverage shall be made available up to a total
of $500,000 aggregate liability for contents
owned by the building owner and $500,000 ag-
gregate liability for each unit within the build-
ing for contents owned by the tenant”.

SEC. 133. LOCAL DATA REQUIREMENT.

(a) IN GENERAL.—Notwithstanding any other provi-
sion of this title, no area or community participating in
the National Flood Insurance Program that is or includes
a community that is identified by the Administrator as
Community Identification Number 360467 and impacted
by the Jamaica Bay flooding source or identified by the
Administrator as Community Identification Number
360495 may be or become designated as an area of special
flood hazards for purposes of the National Flood Insur-
ance Program, unless the designation is made on the basis of—

(1) flood hazard analyses of hydrologic, hydraulic, or coastal flood hazards that have been properly calibrated and validated, and are specific and directly relevant to the geographic area being studied; and

(2) ground elevation information of sufficient accuracy and precision to meet the guidelines of the Administration for accuracy at the 95 percent confidence level.

(b) REMAPPING.—

(1) REMAPPING REQUIRED.—If the Administrator determines that an area described in subsection (a) has been designated as an area of special flood hazard on the basis of information that does not comply with the requirements under subsection (a), the Administrator shall revise and update any National Flood Insurance Program rate map for the area—

(A) using information that complies with the requirements under subsection (a); and

(B) in accordance with the procedures established under section 1363 of the National

(2) DEADLINE.—The Administrator shall issue a preliminary National Flood Insurance Program rate map resulting from a revision and update required under paragraph (1) not later than 1 year after the date of enactment of this Act.

(3) RISK PREMIUM RATE CLARIFICATION.—Any increase in the risk premium rate for a property in an area for which the Administrator has made a determination under paragraph (1) shall be phased in, in accordance with the schedule set forth under section 1308(h) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(h)), as added by this Act. The provisions of this paragraph terminate on the effective date of the National Flood Insurance Program rate map for the area revised and updated in accordance with paragraph (1).
SEC. 134. ELIGIBILITY FOR FLOOD INSURANCE FOR PERSONS RESIDING IN COMMUNITIES THAT HAVE MADE ADEQUATE PROGRESS ON THE CONSTRUCTION, RECONSTRUCTION, OR IMPROVEMENT OF A FLOOD PROTECTION SYSTEM.

(a) Eligibility for Flood Insurance Coverage.—

(1) In general.—Notwithstanding any other provision of law, a person residing in a community that the Administrator determines has made adequate progress on the reconstruction or improvement of a flood protection system that will afford flood protection for a 100-year floodplain (without regard to the level of Federal funding of or participation in the construction, reconstruction, or improvement), shall be eligible for flood insurance coverage under the National Flood Insurance Program—

(A) if the person resides in a community that is a participant in the National Flood Insurance Program; and

(B) at a risk premium rate that does not exceed the risk premium rate that would be chargeable if the flood protection system had been completed.

(2) Adequate Progress.—
(A) RECONSTRUCTION OR IMPROVEMENT.—For purposes of paragraph (1), the Administrator shall determine that a community has made adequate progress on the reconstruction or improvement of a flood protection system if—

(i) 100 percent of the project cost has been authorized;

(ii) not less than 60 percent of the project cost has been secured or appropriated;

(iii) not less than 50 percent of the flood protection system has been assessed as being without deficiencies; and

(iv) the reconstruction or improvement has a project schedule that does not exceed 5 years, beginning on the date on which the reconstruction or construction of the improvement commences.

(B) CONSIDERATIONS.—In determining whether a flood protection system have been assessed as being without deficiencies, the Administrator shall consider the requirements under section 65.10 of chapter 44, Code of Federal Regulations, or any successor thereto.
(b) Termination of Eligibility.—

(1) Adequate Continuing Progress.—The Administrator shall issue rules to establish a method of determining whether a community has made adequate continuing progress on the reconstruction or improvement of a flood protection system that includes—

(A) a requirement that the Administrator shall—

(i) consult with the owner of the flood protection system—

(I) 6 months after the date of a determination under subsection (a);

(II) 18 months after the date of a determination under subsection (a); and

(III) 36 months after the date of a determination under subsection (a); and

(ii) after each consultation under clause (i), determine whether the reconstruction or improvement is reasonably likely to be completed in accordance with the project schedule described in subsection (a)(2)(A)(iv); and
(B) a requirement that, if the Administrator makes a determination under subparagraph (A)(ii) that reconstruction or improvement is not reasonably likely to be completed in accordance with the project schedule, the Administrator shall—

(i) not later than 30 days after the date of the determination, notify the owner of the flood protection system of the determination and provide the rationale and evidence for the determination; and

(ii) provide the owner of the flood protection system the opportunity to appeal the determination.

(2) TERMINATION.—The Administrator shall terminate the eligibility for flood insurance coverage under the National Flood Insurance Program of persons residing in a community with respect to which the Administrator made a determination under subsection (a) if—

(A) the Administrator determines that the community has not made adequate continuing progress; or

(B) on the date that is 5 years after the date on which the reconstruction or construc-
tion of the improvement commences, the project has not been completed.

(3) WAIVER.—A person whose eligibility would otherwise be terminated under paragraph (2)(B) shall continue to be eligible to purchase flood insurance coverage described in subsection (a) if the Administrator determines—

(A) the community has made adequate continuing progress on the reconstruction or improvement of a flood protection system; and

(B) there is a reasonable expectation that the reconstruction or improvement of the flood protection system will be completed not later than 1 year after the date of the determination under this paragraph.

(4) RISK PREMIUM RATE.—If the Administrator terminates the eligibility of persons residing in a community to purchase flood insurance coverage described in subsection (a), the Administrator shall establish an appropriate risk premium rate for flood insurance coverage under the National Flood Insurance Program for persons residing in the community that purchased flood insurance coverage before the date on which the termination of eligibility takes ef-
sect, taking into consideration the then-current state
of the flood protection system.

SEC. 135. STUDIES AND REPORTS.

(a) Report on Expanding the National Flood
Insurance Program.—Not later than 1 year after the
date of the enactment of this Act, the Comptroller General
of the United States shall conduct a study and submit a
report to the Committee on Banking, Housing, and Urban
Affairs of the Senate and the Committee on Financial
Services of the House of Representatives, on—

(1) the number of flood insurance policy holders
currently insuring—

(A) a residential structure up to the max-
imum available coverage amount, as established
in section 61.6 of title 44, Code of Federal Reg-
ulations, of—

(i) $250,000 for the structure; and

(ii) $100,000 for the contents of such
structure; or

(B) a commercial structure up to the max-
imum available coverage amount, as established
in section 61.6 of title 44, Code of Federal Reg-
ulations, of $500,000;

(2) the increased losses the National Flood In-
surance Program would have sustained during the
2004 and 2005 hurricane season if the National
Flood Insurance Program had insured all policy-
holders up to the maximum conforming loan limit
for fiscal year 2006 of $417,000, as established
under section 302(b)(2) of the Federal National
Mortgage Association Charter Act (12 U.S.C.
1717(b)(2));

(3) the availability in the private marketplace of
flood insurance coverage in amounts that exceed the
current limits of coverage amounts established in
section 61.6 of title 44, Code of Federal Regula-
tions; and

(4) what effect, if any—

(A) raising the current limits of coverage
amounts established in section 61.6 of title 44,
Code of Federal Regulations, would have on the
ability of private insurers to continue providing
flood insurance coverage; and

(B) reducing the current limits of coverage
amounts established in section 61.6 of title 44,
Code of Federal Regulations, would have on the
ability of private insurers to provide sufficient
flood insurance coverage to effectively replace
the current level of flood insurance coverage
being provided under the National Flood Insurance Program.

(b) Report of the Administrator on Activities Under the National Flood Insurance Program.—

(1) In General.—The Administrator shall, on an annual basis, submit a full report on the operations, activities, budget, receipts, and expenditures of the National Flood Insurance Program for the preceding 12-month period to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives.

(2) Timing.—Each report required under paragraph (1) shall be submitted to the committees described in paragraph (1) not later than 3 months following the end of each fiscal year.

(3) Contents.—Each report required under paragraph (1) shall include—

(A) the current financial condition and income statement of the National Flood Insurance Fund established under section 1310 of the National Flood Insurance Act of 1968 (42 U.S.C. 4017), including—

(i) premiums paid into such Fund;
(ii) policy claims against such Fund;

and

(iii) expenses in administering such Fund;

(B) the number and face value of all policies issued under the National Flood Insurance Program that are in force;

(C) a description and summary of the losses attributable to repetitive loss structures;

(D) a description and summary of all losses incurred by the National Flood Insurance Program due to—

(i) hurricane related damage; and

(ii) nonhurricane related damage;

(E) the amounts made available by the Administrator for mitigation assistance under section 1366(c)(4) of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c(c)(4)) for the purchase of properties substantially damaged by flood for that fiscal year, and the actual number of flood damaged properties purchased and the total cost expended to purchase such properties;
(F) the estimate of the Administrator as to
the average historical loss year, and the basis
for that estimate;

(G) the estimate of the Administrator as to
the maximum amount of claims that the Na-
tional Flood Insurance Program would have to
expend in the event of a catastrophic year;

(H) the average—

(i) amount of insurance carried per
flood insurance policy;

(ii) premium per flood insurance pol-
icy; and

(iii) loss per flood insurance policy;

and

(I) the number of claims involving dam-
ages in excess of the maximum amount of flood
insurance available under the National Flood
Insurance Program and the sum of the amount
of all damages in excess of such amount.

(e) GAO STUDY ON PRE-FIRM STRUCTURES.—Not
later than 1 year after the date of the enactment of this
Act, the Comptroller General of the United States shall
conduct a study and submit a report to the Committee
on Banking, Housing, and Urban Affairs of the Senate
and the Committee on Financial Services of the House of Representatives, on the—

(1) composition of the remaining pre-FIRM structures that are explicitly receiving discounted premium rates under section 1307 of the National Flood Insurance Act of 1968 (42 U.S.C. 4014), including the historical basis for the receipt of such subsidy and the extent to which pre-FIRM structures are currently owned by the same owners of the property at the time of the original FIRM;

(2) number and fair market value of such structures;

(3) respective income level of the owners of such structures;

(4) number of times each such structure has been sold since 1968, including specific dates, sales price, and any other information the Secretary determines appropriate;

(5) total losses incurred by such structures since the establishment of the National Flood Insurance Program compared to the total losses incurred by all structures that are charged a nondiscounted premium rate;

(6) total cost of foregone premiums since the establishment of the National Flood Insurance Pro-
gram, as a result of the subsidies provided to such structures;

(7) annual cost as a result of the subsidies provided to such structures;

(8) the premium income collected and the losses incurred by the National Flood Insurance Program as a result of such explicitly subsidized structures compared to the premium income collected and the losses incurred by such Program as a result of structures that are charged a nondiscounted premium rate, on a State-by-State basis; and

(9) the options for eliminating the subsidy to such structures.

(d) GAO REVIEW OF FEMA CONTRACTORS.—The Comptroller General of the United States, in conjunction with the Office of the Inspector General of the Department of Homeland Security, shall—

(1) conduct a review of the 3 largest contractors the Administrator uses in administering the National Flood Insurance Program; and

(2) not later than 18 months after the date of the enactment of this Act, submit a report on the findings of such review to the Administrator, the Committee on Banking, Housing, and Urban Affairs
of the Senate, and the Committee on Financial Services of the House of Representatives.

SEC. 136. REINSURANCE.

(a) Reinsurance Assessment.—

(1) Private market pricing assessment.— Not later than 12 months after the date of the enactment of this Act, the Administrator shall submit to Congress a report that—

(A) assesses the capacity of the private reinsurance, capital, and financial markets to assist communities, on a voluntary basis, in managing the full range of financial risks associated with flooding by requesting proposals to assume a portion of the insurance risk of the National Flood Insurance Program;

(B) describes any responses to the request for proposals under subparagraph (A);

(C) assesses whether the rates and terms contained in any proposals received by the Administrator are—

(i) reasonable and appropriate; and

(ii) in an amount sufficient to maintain the ability of the National Flood Insurance Program to pay claims;
(D) describes the extent to which carrying out the proposals received by the Administrator would minimize the likelihood that the Administrator would use the borrowing authority under section 1309 of the National Flood Insurance Act of 1968 (42 U.S.C. 4016);

(E) describes fluctuations in historical reinsurance rates; and

(F) includes an economic cost-benefit analysis of the impact on the National Flood Insurance Program if the Administrator were to exercise the authority under section 1335(a)(2) of the National Flood Insurance Act of 1968 (42 U.S.C. 4055(a)(2)), as added by this section, to secure reinsurance of coverage provided by the National Flood Insurance Program from the private market.

(2) PROTOCOL FOR RELEASE OF DATA.—The Administrator shall develop a protocol, including adequate privacy protections, to provide for the release of data sufficient to conduct the assessment required under paragraph (1).

(b) REINSURANCE.—The National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.) is amended—
(1) in section 1331(a)(2) (42 U.S.C. 4051(a)(2)), by inserting “, including as reinsurance of coverage provided by the flood insurance program” before “, on such terms”;

(2) in section 1332(c)(2) (42 U.S.C. 4052(c)(2)), by inserting “or reinsurance” after “flood insurance coverage”;

(3) in section 1335(a) (42 U.S.C. 4055(a))—
   (A) by striking “The Director” and inserting the following:
   “(1) IN GENERAL.—The Administrator”; and
   (B) by adding at the end the following:
   “(2) PRIVATE REINSURANCE.—The Administrator is authorized to secure reinsurance of coverage provided by the flood insurance program from the private market at rates and on terms determined by the Administrator to be reasonable and appropriate, in an amount sufficient to maintain the ability of the program to pay claims.”;

(4) in section 1346(a) (12 U.S.C. 4082(a))—
   (A) in the matter preceding paragraph (1), by inserting after “for the purpose of” the following: “securing reinsurance of insurance coverage provided by the program or for the purpose of”;

* * *
(B) in paragraph (1)—

(i) by striking “estimating” and inserting “Estimating”; and

(ii) by striking the semicolon at the end and inserting a period;

(C) in paragraph (2)—

(i) by striking “receiving” and inserting “Receiving”; and

(ii) by striking the semicolon at the end and inserting a period;

(D) in paragraph (3)—

(i) by striking “making” and inserting “Making”; and

(ii) by striking ‘‘; and’’ and inserting a period;

(E) by redesignating paragraph (4) as paragraph (5);

(F) in paragraph (5), as so redesignated, by striking “otherwise” and inserting “Otherwise”; and

(G) by inserting after paragraph (3) the following new paragraph:

“(4) Placing reinsurance coverage on insurance provided by such program;”; and
(5) in section 1370(a)(3) (42 U.S.C. 4121(a)(3)), by striking “include any” and all that follows and inserting the following: “include any organization or person that is authorized to engage in the business of insurance under the laws of any State, subject to the reporting requirements of the Securities Exchange Act of 1934 pursuant to section 13(a) or 15(d) of such Act (15 U.S.C. 78m(a) and 78o(d)), or authorized by the Administrator to assume reinsurance on risks insured by the flood insurance program;’’.

(c) ASSESSMENT OF CLAIMS-PAYING ABILITY.—

(1) ASSESSMENT.—

(A) ASSESSMENT REQUIRED.—

(i) IN GENERAL.—Not later than September 30 of each year, the Administrator shall conduct an assessment of the ability of the National Flood Insurance Program to pay claims.

(ii) PRIVATE MARKET REINSURANCE.—The assessment under this paragraph for any year in which the Administrator exercises the authority under section 1335(a)(2) of the National Flood Insurance Act of 1968 (42 U.S.C. 4055(a)(2)),

as added by this section, to secure reinsurance of coverage provided by the National Flood Insurance Program from the private market shall include information relating the use of private sector reinsurance and reinsurance equivalents by the Administrator, whether or not the Administrator used the borrowing authority under section 1309 of the National Flood Insurance Act of 1968 (42 U.S.C. 4016).

(iii) First assessment.—The Administrator shall conduct the first assessment required under this paragraph not later than September 30, 2012.

(B) Considerations.—In conducting an assessment under subparagraph (A), the Administrator shall take into consideration regional concentrations of coverage written by the National Flood Insurance Program, peak flood zones, and relevant mitigation measures.

(2) Annual report of the administrator of activities under the national flood insurance program.—The Administrator shall—
(A) include the results of each assessment
in the report required under section 135(b); and

(B) not later than 30 days after the date
on which the Administrator completes an as-
seSSment required under paragraph (1), make
the results of the assessment available to the
public.

SEC. 137. GAO STUDY ON BUSINESS INTERRUPTION AND
ADDITIONAL LIVING EXPENSES COVERAGEs.

(a) Study.—The Comptroller General of the United
States shall conduct a study concerning—

(1) the availability of additional living expenses
and business interruption coverage in the private
marketplace for flood insurance;

(2) the feasibility of allowing the National
Flood Insurance Program to offer such coverage at
the option of the consumer;

(3) the estimated cost to consumers if the Na-
tional Flood Insurance Program priced such optional
coverage at true actuarial rates;

(4) the impact such optional coverage would
have on consumer participation in the National
Flood Insurance Program; and
(5) the fiscal impact such optional coverage would have upon the National Flood Insurance Fund if such optional coverage were included in the National Flood Insurance Program, as described in paragraph (2), at the price described in paragraph (3).

(b) Report.—Not later than 1 year after the date of the enactment of this Act, the Comptroller General 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 containing the results of the study under subsection (a).

SEC. 138. POLICY DISCLOSURES.

(a) In General.—Notwithstanding any other provision of law, in addition to any other disclosures that may be required, each policy under the National Flood Insurance Program shall state all conditions, exclusions, and other limitations pertaining to coverage under the subject policy, regardless of the underlying insurance product, in plain English, in boldface type, and in a font size that is twice the size of the text of the body of the policy.

(b) Violations.—Any person that violates the requirements of this section shall be subject to a fine of not more than $50,000 at the discretion of the Administrator.
SEC. 139. REPORT ON INCLUSION OF BUILDING CODES IN FLOODPLAIN MANAGEMENT CRITERIA.

Not later than 6 months after the date of the enactment of this Act, the Administrator of the Federal Emergency Management Agency shall conduct a study and submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives regarding the impact, effectiveness, and feasibility of amending section 1361 of the National Flood Insurance Act of 1968 (42 U.S.C. 4102) to include widely used and nationally recognized building codes as part of the floodplain management criteria developed under such section, and shall determine—

(1) the regulatory, financial, and economic impacts of such a building code requirement on homeowners, States and local communities, local land use policies, and the Federal Emergency Management Agency;

(2) the resources required of State and local communities to administer and enforce such a building code requirement;

(3) the effectiveness of such a building code requirement in reducing flood-related damage to buildings and contents;
(4) the impact of such a building code requirement on the actuarial soundness of the National Flood Insurance Program;

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

(6) the feasibility and effectiveness of providing an incentive in lower premium rates for flood insurance coverage under such Act for structures meeting whichever of such widely used and nationally recognized building codes or any applicable local building codes provides greater protection from flood damage;

(7) the impact of such a building code requirement on rural communities with different building code challenges than urban communities; and

(8) the impact of such a building code requirement on Indian reservations.

SEC. 140. STUDY OF PARTICIPATION AND AFFORDABILITY FOR CERTAIN POLICYHOLDERS.

(a) FEMA STUDY.—The Administrator shall conduct a study of—

(1) methods to encourage and maintain participation in the National Flood Insurance Program;
(2) methods to educate consumers about the National Flood Insurance Program and the flood risk associated with their property;

(3) methods for establishing an affordability framework for the National Flood Insurance Program, including methods to aid individuals to afford risk-based premiums under the National Flood Insurance Program through targeted assistance rather than generally subsidized rates, including means-tested vouchers; and

(4) the implications for the National Flood Insurance Program and the Federal budget of using each such method.

(b) NATIONAL ACADEMY OF SCIENCES ECONOMIC ANALYSIS.—To inform the Administrator in the conduct of the study under subsection (a), the National Academy of Sciences, in consultation with the Comptroller General of the United States, shall conduct and submit to the Administrator an economic analysis of the costs and benefits to the Federal Government of a flood insurance program with full risk-based premiums, combined with means-tested Federal assistance to aid individuals who cannot afford coverage, through an insurance voucher program. The analysis shall compare the costs of a program of risk-based rates and means-tested assistance to the current
system of subsidized flood insurance rates and federally
funded disaster relief for people without coverage.

(c) REPORT.—Not later than 270 days after the date
of enactment of this Act, the Administrator shall submit
to the Committee on Banking, Housing, and Urban Af-
fairs of the Senate and the Committee on Financial Serv-
ices of the House of Representatives a report that contains
the results of the study and analysis under this section.

(d) FUNDING.—Notwithstanding section 1310 of the
there shall be available to the Administrator from the Na-
tional Flood Insurance Fund, of amounts not otherwise
obligated, not more than $750,000 to carry out this sec-
tion.

SEC. 141. STUDY AND REPORT CONCERNING THE PARTICI-
PATION OF INDIAN TRIBES AND MEMBERS OF
INDIAN TRIBES IN THE NATIONAL FLOOD IN-
SURANCE PROGRAM.

(a) DEFINITION.—In this section, the term “Indian
tribe” has the meaning given that term in section 4 of
the Indian Self-Determination and Education Assistance

(b) FINDINGS.—Congress finds that participation by
Indian tribes in the National Flood Insurance Program
is low. Only 45 of 565 Indian tribes participate in the Na-
tional Flood Insurance Program.

(c) STUDY.—The Comptroller General of the United
States, in coordination and consultation with Indian tribes
and members of Indian tribes throughout the United
States, shall carry out a study that examines—

(1) the factors contributing to the current rates
of participation by Indian tribes and members of In-
dian tribes in the National Flood Insurance Pro-
gram; and

(2) methods of encouraging participation by In-
dian tribes and members of Indian tribes in the Na-
tional Flood Insurance Program.

(d) REPORT.—Not later than 6 months after the date
of enactment of this Act, the Comptroller General shall
submit to Congress a report that—

(1) contains the results of the study carried out
under subsection (c);

(2) describes the steps that the Administrator
should take to increase awareness and encourage
participation by Indian tribes and members of In-
dian tribes in the National Flood Insurance Pro-
gram; and

(3) identifies any legislative changes that would
encourage participation by Indian tribes and mem-
members of Indian tribes in the National Flood Insurance Program.

SEC. 142. TECHNICAL CORRECTIONS.

(a) FLOOD DISASTER PROTECTION ACT OF 1973.—

The Flood Disaster Protection Act of 1973 (42 U.S.C. 4002 et seq.) is amended—

(1) by striking “Director” each place that term appears, except in section 102(f)(3) (42 U.S.C. 4012a(f)(3)), and inserting “Administrator”; and

(2) in section 201(b) (42 U.S.C. 4105(b)), by striking “Director’s” and inserting “Administrator’s”.

(b) NATIONAL FLOOD INSURANCE ACT OF 1968.—

The National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.) is amended—

(1) by striking “Director” each place that term appears and inserting “Administrator”; and

(2) in sections 1363 (42 U.S.C. 4104), by striking “Director’s” each place that term appears and inserting “Administrator’s”.

(c) FEDERAL FLOOD INSURANCE ACT OF 1956.—

Section 15(e) of the Federal Flood Insurance Act of 1956 (42 U.S.C. 2414(e)) is amended by striking “Director” each place that term appears and inserting “Administrator”.

S 1940 RS
TITLE II—COMMISSION ON NATURAL CATASTROPHE RISK MANAGEMENT AND INSURANCE

SEC. 201. SHORT TITLE.

This title may be cited as the “Commission on Natural Catastrophe Risk Management and Insurance Act of 2011”.

SEC. 202. FINDINGS.

Congress finds that—

(1) Hurricanes Katrina, Rita, and Wilma, which struck the United States in 2005, caused, by some estimates, in excess of $200,000,000,000 in total economic losses;

(2) many meteorologists predict that the United States is in a period of increased hurricane activity;

(3) the Federal Government and State governments have provided billions of dollars to pay for losses from natural catastrophes, including hurricanes, earthquakes, volcanic eruptions, tsunamis, tornados, flooding, wildfires, droughts, and other natural catastrophes;

(4) many Americans are finding it increasingly difficult to obtain and afford property and casualty insurance coverage;
(5) some insurers are not renewing insurance policies, are excluding certain risks, such as wind damage, and are increasing rates and deductibles in some markets;

(6) the inability of property and business owners in vulnerable areas to obtain and afford property and casualty insurance coverage endangers the national economy and public health and safety;

(7) almost every State in the United States is at risk of a natural catastrophe, including hurricanes, earthquakes, volcanic eruptions, tsunamis, tornados, flooding, wildfires, droughts, and other natural catastrophes;

(8) building codes and land use regulations play an indispensable role in managing catastrophe risks, by preventing building in high risk areas and ensuring that appropriate mitigation efforts are completed where building has taken place;

(9) several proposals have been introduced in Congress to address the affordability and availability of natural catastrophe insurance across the United States, but there is no consensus on what, if any, role the Federal Government should play; and

(10) an efficient and effective approach to assessing natural catastrophe risk management and in-
insurance is to establish a nonpartisan commission to
study the management of natural catastrophe risk,
and to require such commission to timely report to
Congress on its findings.

**SEC. 203. ESTABLISHMENT.**

There is established a nonpartisan Commission on
Natural Catastrophe Risk Management and Insurance (in
this title referred to as the “Commission”).

**SEC. 204. MEMBERSHIP.**

(a) APPOINTMENT.—The Commission shall be com-
posed of 16 members, of whom—

(1) 2 members shall be appointed by the major-
ity leader of the Senate;

(2) 2 members shall be appointed by the minor-
ity leader of the Senate;

(3) 2 members shall be appointed by the Speak-
er of the House of Representatives;

(4) 2 members shall be appointed by the minor-
ity leader of the House of Representatives;

(5) 2 members shall be appointed by the Chair-
man of the Committee on Banking, Housing, and
Urban Affairs of the Senate;

(6) 2 members shall be appointed by the Rank-
ing Member of the Committee on Banking, Housing,
and Urban Affairs of the Senate;
(7) 2 members shall be appointed by the Chairman of the Committee on Financial Services of the House of Representatives; and

(8) 2 members shall be appointed by the Ranking Member of the Committee on Financial Services of the House of Representatives.

(b) QUALIFICATION OF MEMBERS.—

(1) IN GENERAL.—Members of the Commission shall be appointed under subsection (a) from among persons who—

(A) have expertise in insurance, reinsurance, insurance regulation, policyholder concerns, emergency management, risk management, public finance, financial markets, actuarial analysis, flood mapping and planning, structural engineering, building standards, land use planning, natural catastrophes, meteorology, seismology, environmental issues, or other pertinent qualifications or experience; and

(B) are not officers or employees of the United States Government or of any State or local government.

(2) DIVERSITY.—In making appointments to the Commission—
(A) every effort shall be made to ensure that the members are representative of a broad cross section of perspectives within the United States; and

(B) each member of Congress described in subsection (a) shall appoint not more than 1 person from any single primary area of expertise described in paragraph (1)(A) of this subsection.

(c) Period of Appointment.—

(1) In general.—Each member of the Commission shall be appointed for the duration of the Commission.

(2) Vacancies.—A vacancy on the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(d) Quorum.—

(1) Majority.—A majority of the members of the Commission shall constitute a quorum, but a lesser number, as determined by the Commission, may hold hearings.

(2) Approval Actions.—All recommendations and reports of the Commission required by this title shall be approved only by a majority vote of all of the members of the Commission.
(e) **CHAIRPERSON.**—The Commission shall, by majority vote of all of the members, select 1 member to serve as the Chairperson of the Commission (in this title referred to as the “Chairperson”).

(f) **MEETINGS.**—The Commission shall meet at the call of its Chairperson or a majority of the members.

**SEC. 205. DUTIES OF THE COMMISSION.**

The Commission shall examine the risks posed to the United States by natural catastrophes, and means for mitigating those risks and for paying for losses caused by natural catastrophes, including assessing—

(1) the condition of the property and casualty insurance and reinsurance markets prior to and in the aftermath of Hurricanes Katrina, Rita, and Wilma in 2005, and the 4 major hurricanes that struck the United States in 2004;

(2) the current condition of, as well as the outlook for, the availability and affordability of insurance in all regions of the country;

(3) the current ability of States, communities, and individuals to mitigate their natural catastrophe risks, including the affordability and feasibility of such activities;

(4) the ongoing exposure of the United States to natural catastrophes, including hurricanes, earth-
quakes, volcanic eruptions, tsunamis, tornados, flooding, wildfires, droughts, and other natural catastrophes;

(5) the catastrophic insurance and reinsurance markets and the relevant practices in providing insurance protection to different sectors of the American population;

(6) implementation of a catastrophic insurance system that can resolve key obstacles currently impeding broader implementation of catastrophic risk management and financing with insurance;

(7) the financial feasibility and sustainability of a national, regional, or other pooling mechanism designed to provide adequate insurance coverage and increased underwriting capacity to insurers and reinsurers, including private-public partnerships to increase insurance capacity in constrained markets;

(8) methods to promote public or private insurance policies to reduce losses caused by natural catastrophes in the uninsured sectors of the American population;

(9) approaches for implementing a public or private insurance scheme for low-income communities, in order to promote risk reduction and insurance coverage in such communities;
(10) the impact of Federal and State laws, regulations, and policies (including rate regulation, market access requirements, reinsurance regulations, accounting and tax policies, State residual markets, and State catastrophe funds) on—

(A) the affordability and availability of catastrophe insurance;

(B) the capacity of the private insurance market to cover losses inflicted by natural catastrophes;

(C) the commercial and residential development of high-risk areas; and

(D) the costs of natural catastrophes to Federal and State taxpayers;

(11) the present and long-term financial condition of State residual markets and catastrophe funds in high-risk regions, including the likelihood of insolvency following a natural catastrophe, the concentration of risks within such funds, the reliance on post-event assessments and State funding, and the adequacy of rates;

(12) the role that innovation in financial services could play in improving the affordability and availability of natural catastrophe insurance, specifically addressing measures that would foster the de-
development of financial products designed to cover natural catastrophe risk, such as risk-linked securities;

(13) the need for strengthened land use regulations and building codes in States at high risk for natural catastrophes, and methods to strengthen the risk assessment and enforcement of structural mitigation and vulnerability reduction measures, such as zoning and building code compliance;

(14) the benefits and costs of proposed Federal natural catastrophe insurance programs (including the Federal Government’s provision of reinsurance to State catastrophe funds, private insurers, or other entities), specifically addressing the costs to taxpayers, tax equity considerations, and the record of other government insurance programs (particularly with regard to charging actuarially sound prices);

(15) the ability of the United States private insurance market—

(A) to cover insured losses caused by natural catastrophes, including an estimate of the maximum amount of insured losses that could be sustained during a single year and the probability of natural catastrophes occurring in a single year that would inflict more insured
losses than the United States insurance and re-
insurance markets could sustain; and

(B) to recover after covering substantial
insured losses caused by natural catastrophes;

(16) the impact that demographic trends could
have on the amount of insured losses inflicted by fu-
ture natural catastrophes;

(17) the appropriate role, if any, for the Fed-
eral Government in stabilizing the property and cas-
ualty insurance and reinsurance markets; and

(18) the role of the Federal, State, and local
governments in providing incentives for feasible risk
mitigation efforts.

SEC. 206. REPORT.

(a) IN GENERAL.—Not later than 9 months after the
date of the enactment of this Act, the Commission shall
submit to the Committee on Banking, Housing, and
Urban Affairs of the Senate and the Committee on Finan-
cial Services of the House of Representatives a final report
containing—

(1) a detailed statement of the findings and as-
seSSments conducted by the Commission pursuant to
section 205; and

(2) any recommendations for legislative, regu-
latory, administrative, or other actions at the Fed-
eral, State, or local levels that the Commission con-
siders appropriate, in accordance with the require-
ments of section 205.

(b) Extension of Time.—The Commission may re-
quest Congress to extend the period of time for the sub-
mission of the report required under subsection (a) for an
additional 3 months.

SEC. 207. POWERS OF THE COMMISSION.

(a) Meetings; Hearings.—The Commission may
hold such hearings, sit and act at such times and places,
take such testimony, and receive such evidence as the
Commission considers necessary to carry out the purposes
of this title. Members may attend meetings of the Commis-
sion and vote in person, via telephone conference, or via
video conference.

(b) Authority of Members or Agents of the
Commission.—Any member or agent of the Commission
may, if authorized by a vote of the Commission, take any
action which the Commission is authorized to take by this
title.

(c) Obtaining Official Data.—

(1) Authority.—Notwithstanding any provi-
sion of section 552a of title 5, United States Code,
the Commission may secure directly from any de-
partment or agency of the United States any infor-
information necessary to enable the Commission to carry
out this title.

(2) Procedure.—Upon the request of the
Chairperson, the head of such department or agency
shall furnish to the Commission the information re-
quested.

(d) Postal Services.—The Commission may use
the United States mails in the same manner and under
the same conditions as other departments and agencies of
the Federal Government.

(e) Administrative Support Services.—Upon
the request of the Commission, the Administrator of Gen-
eral Services shall provide to the Commission, on a reim-
bursable basis, any administrative support services nec-

(f) Acceptance of Gifts.—The Commission may
accept, hold, administer, and utilize gifts, donations, and
bequests of property, both real and personal, for the pur-
poses of aiding or facilitating the work of the Commission.
The Commission shall issue internal guidelines governing
the receipt of donations of services or property.

(g) Volunteer Services.—Notwithstanding the
provisions of section 1342 of title 31, United States Code,
the Commission may accept and utilize the services of vol-
unteers serving without compensation. The Commission may reimburse such volunteers for local travel and office supplies, and for other travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code.

(h) **Federal Property and Administrative Services Act of 1949**.—Subject to the Federal Property and Administrative Services Act of 1949, the Commission may enter into contracts with Federal and State agencies, private firms, institutions, and individuals for the conduct of activities necessary to the discharge of its duties and responsibilities.

(i) **Limitation on Contracts**.—A contract or other legal agreement entered into by the Commission may not extend beyond the date of the termination of the Commission.

**SEC. 208. Commission Personnel Matters.**

(a) **Travel Expenses**.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.
(b) **Subcommittees.**—The Commission may establish subcommittees and appoint members of the Commission to such subcommittees as the Commission considers appropriate.

(c) **Staff.**—Subject to such policies as the Commission may prescribe, the Chairperson may appoint and fix the pay of such additional personnel as the Chairperson considers appropriate to carry out the duties of the Commission. The Commission shall confirm the appointment of the executive director by majority vote of all of the members of the Commission.

(d) **Applicability of Certain Civil Service Laws.**—Staff of the Commission may be—

(1) appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service; and

(2) paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay prescribed for GS–15 of the General Schedule under section 5332 of that title.

(e) **Experts and Consultants.**—In carrying out its objectives, the Commission may procure temporary and
intermittent services of consultants and experts under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for GS–15 of the General Schedule under section 5332 of that title.

(f) Detail of Government Employees.—Upon request of the Chairperson, any Federal Government employee may be detailed to the Commission to assist in carrying out the duties of the Commission—

(1) on a reimbursable basis; and

(2) such detail shall be without interruption or loss of civil service status or privilege.

SEC. 209. TERMINATION.

The Commission shall terminate 90 days after the date on which the Commission submits its report under section 206.

SEC. 210. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Commission, such sums as may be necessary to carry out this title, to remain available until expended.
A BILL

To amend the National Flood Insurance Act of 1968, to restore the financial solvency of the flood insurance fund, and for other purposes.

DECEMBER 5, 2011

Read twice and placed on the calendar.