

BUNNING-BEREUTER-BLUMENAUER FLOOD INSURANCE REFORM ACT OF 2004

[EXCERPTS FROM BUNNING-BEREUTER-BLUMENAUER
FLOOD INSURANCE REFORM ACT OF 2004]

[Public Law 108–264; 118 Stat. 712; 42 U.S.C. 4011 note, 4101
note]

【Currency: This publication is a compilation of the text of Public Law 108–264. It was last amended by the public law listed in the As Amended Through note above and below at the bottom of each page of the pdf version and reflects current law through the date of the enactment of the public law listed at <https://www.govinfo.gov/app/collection/comps/>】

【Note: While this publication does not represent an official version of any Federal statute, substantial efforts have been made to ensure the accuracy of its contents. The official version of Federal law is found in the United States Statutes at Large and in the United States Code. The legal effect to be given to the Statutes at Large and the United States Code is established by statute (1 U.S.C. 112, 204).】

* * * * *

TITLE I—AMENDMENTS TO FLOOD INSURANCE ACT OF 1968

* * * * *

SEC. 107. [42 U.S.C. 4101 note] GEOSPATIAL DIGITAL FLOOD HAZARD DATA.

For the purposes of flood insurance and floodplain management activities conducted pursuant to the National Flood Insurance Program under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.), geospatial digital flood hazard data distributed by the Federal Emergency Management Agency, or its designee, or the printed products derived from that data, are interchangeable and legally equivalent for the determination of the location of 1 in 100 year and 1 in 500 year flood planes, provided that all other geospatial data shown on the printed product meets or exceeds any accuracy standard promulgated by the Federal Emergency Management Agency.

* * * * *

SEC. 109. [42 U.S.C. 4101 note] REITERATION OF FEMA RESPONSIBILITY TO MAP MUDSLIDES.

As directed in section 1360(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4101(b)), the Director of the Federal Emergency Management Agency is again directed to accelerate the identification of risk zones within flood-prone and mudslide-prone areas, as provided by subsection (a)(2) of such section 1360, in

order to make known the degree of hazard within each such zone at the earliest possible date.

TITLE II—MISCELLANEOUS PROVISIONS

SEC. 201. [42 U.S.C. 4011 note] DEFINITIONS.

In this title, the following definitions shall apply:

(1) **DIRECTOR.**—The term “Director” means the Director of the Federal Emergency Management Agency.

(2) **FLOOD INSURANCE POLICY.**—The term “flood insurance policy” means a flood insurance policy issued under the National Flood Insurance Act of 1968 (42 U.S.C. et seq.).

(3) **PROGRAM.**—The term “Program” means the National Flood Insurance Program established under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.).

SEC. 202. [42 U.S.C. 4011 note] SUPPLEMENTAL FORMS.

(a) **IN GENERAL.**—Not later than 6 months after the date of enactment of this Act,¹ the Director shall develop supplemental forms to be issued in conjunction with the issuance of a flood insurance policy that set forth, in simple terms—

(1) the exact coverages being purchased by a policyholder;

(2) any exclusions from coverage that apply to the coverages purchased;

(3) an explanation, including illustrations, of how lost items and damages will be valued under the policy at the time of loss;

(4) the number and dollar value of claims filed under a flood insurance policy over the life of the property, and the effect, under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.), of the filing of any further claims under a flood insurance policy with respect to that property; and

(5) any other information that the Director determines will be helpful to policyholders in understanding flood insurance coverage.

(b) **DISTRIBUTION.**—The forms developed under subsection (a) shall be given to—

(1) all holders of a flood insurance policy at the time of purchase and renewal; and

(2) insurance companies and agents that are authorized to sell flood insurance policies.

SEC. 203. [42 U.S.C. 4011 note] ACKNOWLEDGEMENT FORM.

(a) **IN GENERAL.**—Not later than 6 months after the date of enactment of this Act,¹ the Director shall develop an acknowledgement form to be signed by the purchaser of a flood insurance policy that contains—

(1) an acknowledgement that the purchaser has received a copy of the standard flood insurance policy, and any forms developed under section 202; and

¹ The date of enactment was June 30, 2004.

¹ The date of enactment was June 30, 2004.

3 BUNNING-BEREUTER-BLUMENAUER FLOOD INSURANCE REFOR... Sec. 206

(2) an acknowledgement that the purchaser has been told that the contents of a property or dwelling are not covered under the terms of the standard flood insurance policy, and that the policyholder has the option to purchase additional coverage for such contents.

(b) DISTRIBUTION.—Copies of an acknowledgement form executed under subsection (a) shall be made available to the purchaser and the Director.

SEC. 204. [42 U.S.C. 4011 note] FLOOD INSURANCE CLAIMS HANDBOOK.

(a) IN GENERAL.—Not later than 6 months after the date of enactment of this Act,¹ the Director shall develop a flood insurance claims handbook that contains—

(1) a description of the procedures to be followed to file a claim under the Program, including how to pursue a claim to completion;

(2) how to file supplementary claims, proof of loss, and any other information relating to the filing of claims under the Program; and

(3) detailed information regarding the appeals process established under section 205.

(b) DISTRIBUTION.—The handbook developed under subsection (a) shall be made available to—

(1) each insurance company and agent authorized to sell flood insurance policies; and

(2) each purchaser, at the time of purchase and renewal, of a flood insurance policy, and at the time of any flood loss sustained by such purchaser.

SEC. 205. [42 U.S.C. 4011 note] APPEAL OF DECISIONS RELATING TO FLOOD INSURANCE COVERAGE.

Not later than 6 months after the date of enactment of this Act,¹ the Director shall, by regulation, establish an appeals process through which holders of a flood insurance policy may appeal the decisions, with respect to claims, proofs of loss, and loss estimates relating to such flood insurance policy, of—

(1) any insurance agent or adjuster, or insurance company;

or

(2) any employee or contractor of the Federal Emergency Management Agency.

SEC. 206. [42 U.S.C. 4011 note] STUDY AND REPORT ON USE OF COST COMPLIANCE COVERAGE.

Not later than 1 year after the date of enactment of this Act,¹ the Director of the Federal Emergency Management Agency shall submit to Congress a report that sets forth—

(1) the use of cost of compliance coverage under section 1304(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4011(b)) in connection with flood insurance policies;

(2) any barriers to policyholders using the funds provided by cost of compliance coverage under that section 1304(b) under a flood insurance policy, and recommendations to address those barriers; and

¹The date of enactment was June 30, 2004.

¹The date of enactment was June 30, 2004.

¹The date of enactment was June 30, 2004.

Sec. 207 BUNNING-BEREUTER-BLUMENAUER FLOOD INSURANCE REFOR...**4**

(3) the steps that the Federal Emergency Management Agency has taken to ensure that funds paid for cost of compliance coverage under that section 1304(b) are being used to lessen the burdens on all homeowners and the Program.

SEC. 207. [42 U.S.C. 4011 note] MINIMUM TRAINING AND EDUCATION REQUIREMENTS.

The Director of the Federal Emergency Management Agency shall, in cooperation with the insurance industry, State insurance regulators, and other interested parties—

(1) establish minimum training and education requirements for all insurance agents who sell flood insurance policies; and

(2) not later than 6 months after the date of enactment of this Act,¹ publish these requirements in the Federal Register, and inform insurance companies and agents of the requirements.

SEC. 208. [42 U.S.C. 4011 note] GAO STUDY AND REPORT.

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

(1) the adequacy of the scope of coverage provided under flood insurance policies in meeting the intended goal of Congress that flood victims be restored to their pre-flood conditions, and any recommendations to ensure that goal is being met;

(2) the adequacy of payments to flood victims under flood insurance policies; and

(3) the practices of the Federal Emergency Management Agency and insurance adjusters in estimating losses incurred during a flood, and how such practices affect the adequacy of payments to flood victims.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act,¹ the Comptroller General shall submit to Congress a report regarding the results of the study under subsection (a).

SEC. 209. [42 U.S.C. 4011 note] PROSPECTIVE PAYMENT OF FLOOD INSURANCE PREMIUMS.

Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015) is amended by adding at the end the following: * * *

SEC. 210. [42 U.S.C. 4011 note] REPORT ON CHANGES TO FEE SCHEDULE OR FEE PAYMENT ARRANGEMENTS.

Not later than 3 months after the date of enactment of this Act,¹ the Director shall submit a report on any changes or modifications made to the fee schedule or fee payment arrangements between the Federal Emergency Management Agency and insurance adjusters who provide services with respect to flood insurance policies to—

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

(2) the Committee on Financial Services of the House of Representatives.

¹The date of enactment was June 30, 2004.

¹The date of enactment was June 30, 2004.

¹The date of enactment was June 30, 2004.