

109TH CONGRESS  
1ST SESSION

# H. R. 3922

To strengthen the national flood insurance program, encourage participation in the program, and provide owners of properties not located in flood hazard zones that, therefore, were not subject to the mandatory purchase requirements of the national flood insurance program, but which suffered flood damage resulting from Hurricane Katrina or Hurricane Rita and were covered by windstorm insurance, a one-time opportunity to purchase flood insurance coverage for a period covering such hurricane.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 27, 2005

Mr. TAYLOR of Mississippi (for himself, Mr. MELANCON, Mr. FRANK of Massachusetts, Mr. BLUMENAUER, Mr. BOYD, Mr. BUTTERFIELD, Mr. CARDOZA, Mr. CASE, Mr. FORD, Ms. KAPTUR, Mr. PETERSON of Minnesota, Mr. ROSS, Mr. SCOTT of Georgia, Mr. ACKERMAN, Mr. COSTA, Mr. THOMPSON of Mississippi, Mr. JEFFERSON, Mr. BARROW, Mr. BERRY, Mr. MOORE of Kansas, Mr. MICHAUD, Mr. CRAMER, Mr. HOLDEN, Mr. ISRAEL, Mr. MATHESON, Mr. DAVIS of Tennessee, Mr. MCINTYRE, Mr. SCHIFF, Mr. BOREN, and Mr. POMEROY) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To strengthen the national flood insurance program, encourage participation in the program, and provide owners of properties not located in flood hazard zones that, therefore, were not subject to the mandatory purchase requirements of the national flood insurance program, but which suffered flood damage resulting from Hurricane Katrina or Hurricane Rita and were covered by windstorm insurance, a one-time opportunity to purchase

flood insurance coverage for a period covering such hurricane.

1 *Be it enacted by the Senate and House of Representa-*  
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Hurricanes Katrina  
 5 and Rita Flood Insurance Buy-In Act of 2005”.

6 **SEC. 2. TEMPORARY FLOOD INSURANCE BUY-IN PROGRAM.**

7 (a) IN GENERAL.—The Director of the Federal  
 8 Emergency Management Agency shall make available  
 9 flood insurance coverage under the national flood insur-  
 10 ance program available for eligible structures, in accord-  
 11 ance with this section.

12 (b) SCOPE OF COVERAGE.—

13 (1) ELIGIBLE LOSSES.—Coverage may be made  
 14 available under this section only for a damage or  
 15 loss to an eligible structure, but not including any  
 16 contents thereof, from flooding resulting from Hurri-  
 17 cane Katrina or Hurricane Rita.

18 (2) AMOUNT.—The amount of such coverage  
 19 made available under this section for an eligible  
 20 structure may not exceed the lesser of—

21 (A) the maximum amount of coverage that  
 22 may be made available for such structure under  
 23 the national flood insurance program; and

1 (B) the amount of coverage provided for  
2 the structure, as of August 29, 2005, under the  
3 policy for losses caused by wind or windstorm  
4 (as referred to in subsection (c)(3)).

5 (c) ELIGIBLE STRUCTURES.—For purposes of this  
6 section, an eligible structure is a structure that—

7 (1) sustained damage from flooding resulting  
8 from Hurricane Katrina or Hurricane Rita of 2005;

9 (2) is of a type (including residential properties,  
10 business properties, and others) for which coverage  
11 was generally made available under the national  
12 flood insurance program as of August 29, 2005;

13 (3) is located in a covered disaster area (as  
14 such term is defined in subsection (h));

15 (4) was covered—

16 (A) in the case of a structure damaged by  
17 flooding resulting from Hurricane Katrina, as  
18 of August 29, 2005, by an insurance policy for  
19 losses caused by wind or windstorm; and

20 (B) in the case of a structure damaged by  
21 flooding resulting from Hurricane Rita, as of  
22 September 23, 2005, by such a policy;

23 (5) is not located in an area that has been iden-  
24 tified by the Director as an area having special flood  
25 hazards (as such term is used for purposes of sec-

1       tion 102 of the Flood Disaster Protection Act of  
2       1973 (42 U.S.C. 4012a)); and

3           (6) was not covered by flood insurance made  
4       available under the national flood insurance program  
5       at the time of such damage.

6       (d) PREMIUMS.—

7           (1) AMOUNT.—The Director shall charge, for  
8       coverage made available under this section for an eli-  
9       gible structure, premiums in the amount equal to  
10      105 percent of the aggregate amount of premiums  
11      that would have been charged, at the time, for cov-  
12      erage for the structure under the national flood in-  
13      surance program (for the type and amount of cov-  
14      erage provided) for the 10-year period that ends  
15      upon the date of purchase of such coverage.

16          (2) DEDUCTION FROM CLAIMS.—The Director  
17      shall provide that a purchaser of coverage made  
18      available under this section may pay premiums  
19      charged for such coverage pursuant to paragraph  
20      (1) by deducting such amounts from the amount of  
21      any claims payable under such coverage.

22          (3) CREDITS TO NFIF.—There shall be credited  
23      to the National Flood Insurance Fund established  
24      under section 1310 of the National Flood Insurance

1 Act of 1968 (42 U.S.C. 4017) the following  
2 amounts.

3 (A) Any premiums collected pursuant to  
4 this section.

5 (B) From amounts appropriated pursuant  
6 to subsection (i)(1), an amount equal to the  
7 amount of any premiums charged for coverage  
8 made available under this subsection that are  
9 not collected by the Director as a result of the  
10 operation of paragraph (2) of this subsection.

11 (e) CLAIMS.—Claims for damage or loss pursuant to  
12 coverage made available under this section may be paid  
13 only from amounts made available in appropriation Acts  
14 pursuant to subsection (i). Amounts in the National Flood  
15 Insurance Fund established under section 1310 of the Na-  
16 tional Flood Insurance Act of 1968, including any amount  
17 credited to such Fund pursuant to subsection (d)(3), shall  
18 not be available for paying claims under coverage made  
19 available under this section.

20 (f) REQUIREMENTS TO OBTAIN FUTURE COVERAGE  
21 AND TAKE MITIGATION ACTIONS.—The Director may not  
22 make coverage available under this section for an eligible  
23 structure unless the owner of the structure enters into  
24 binding agreements, contained in such deed restrictions as

1 the Director considers appropriate, to ensure that such  
2 owner, and any future owners, will—

3 (1) at all times after purchasing coverage under  
4 this section for the structure, in perpetuity, maintain  
5 coverage under the national flood insurance pro-  
6 gram, for any structures located at any time on the  
7 same property on which, at the time of purchase,  
8 such eligible structure is located, in an amount at  
9 least equal to the lesser of—

10 (A) the value of the structure, as deter-  
11 mined by the Director; or

12 (B) the maximum limit of coverage made  
13 available with respect to the particular type of  
14 property under the national flood insurance  
15 program; and

16 (2) accept any offer to take mitigation actions  
17 or activities made, with respect to the structure,  
18 under a mitigation program under section 1323,  
19 1361A, or 1366 of the National Flood Insurance Act  
20 of 1968 (42 U.S.C. 4030, 4102a, 4104c).

21 (g) PREMIUM RATES FOR FUTURE COVERAGE.—In  
22 establishing rates for flood insurance coverage, other than  
23 coverage under this section, made available under the na-  
24 tional flood insurance program, the Director shall not con-  
25 sider, in any manner—

1           (1) any premiums charged or collected pursuant  
2           to subsection (d);

3           (2) any claims paid pursuant to coverage made  
4           available under this section; or

5           (3) any amounts appropriated pursuant to sub-  
6           section (i).

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

9           (1) COVERED DISASTER AREA.—The term “cov-  
10          ered disaster area” means an area—

11           (A) for which a major disaster was de-  
12           clared by the President pursuant to title IV of  
13           the Robert T. Stafford Disaster Relief and  
14           Emergency Assistance Act as a result of Hurri-  
15           cane Katrina or Hurricane Rita of 2005; and

16           (B) in which the sale of flood insurance  
17           coverage was available under the National  
18           Flood Insurance Act of 1968 as of August 29,  
19           2004.

20           (2) DIRECTOR.—The term “Director” means  
21           the Director of the Federal Emergency Management  
22           Agency.

23           (i) AUTHORIZATION OF APPROPRIATIONS.—

24           (1) FOR CLAIMS PAYMENTS.—There are au-  
25           thorized to be appropriated to the Director such

1        sums as may be necessary to cover all costs of flood  
2        insurance coverage made available under this sec-  
3        tion, including administrative expenses and claims  
4        under such coverage.

5            (2) FOR MITIGATION ASSISTANCE.—There are  
6        authorized to be appropriated such sums as may be  
7        necessary, for the national flood insurance fund es-  
8        tablished under section 1310 of the National Flood  
9        Insurance Act of 1968 and for the national flood  
10       mitigation fund established under section 1367 of  
11       such Act (42 U.S.C. 4104d), for use only for mitiga-  
12       tion activities under the programs under sections  
13       1323, 1361A, and 1366 of the National Flood In-  
14       surance Act of 1968 (42 U.S.C. 4030, 4102a,  
15       4104c), as appropriate, for eligible structures.

16        (j) TERMINATION.—The Director may not enter into  
17       any contract or policy for coverage under this section ex-  
18       cept pursuant to an application for such coverage sub-  
19       mitted to the Director before the expiration of the 90-day  
20       period beginning on the date of the enactment of this Act.

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