

115TH CONGRESS
2D SESSION

H. R. 5973

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to require a report on risk transfer, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 25, 2018

Mr. ROSS introduced the following bill; which was referred to the Committee on Transportation and Infrastructure

A BILL

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to require a report on risk transfer, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Disaster Assistance
5 Risk Transfer Act of 2018”.

6 **SEC. 2. RISK TRANSFER.**

7 Title III of the Robert T. Stafford Disaster Relief
8 and Emergency Assistance Act (42 U.S.C. 5141) is
9 amended by adding at the end the following:

1 **“SEC. 328. RISK TRANSFER.**

2 “(a) IN GENERAL.—Not later than 90 days after the
3 date of enactment of this section, the Administrator of the
4 Federal Emergency Management Agency shall solicit pro-
5 posals and may secure contracts from private entities pro-
6 viding insurance, reinsurance, or capital market invest-
7 ments to transfer a portion of the risk of assistance pro-
8 vided under any or all of sections 403, 404, 406, 407, 408,
9 and 428, and of title V.

10 “(b) TREATMENT OF FUNDS.—The Administrator
11 shall deposit any funds collected as the result of transfer
12 of risk arrangements into the Disaster Relief Fund and
13 such funds are available for any purpose for which such
14 Fund may be used.

15 “(c) REPORT.—Not later than 18 months after the
16 date of enactment of this section, the Administrator shall
17 submit to Congress a report that—

18 “(1) provides a description of the proposals de-
19 scribed in subsection (a) that the Administrator re-
20 ceived;

21 “(2) assesses the proposals described in para-
22 graph (1) with respect to the capacity of private re-
23 insurance, capital, and financial markets to assist
24 communities in managing the full range of financial
25 risks associated with major disasters;

1 “(3) assesses whether the rates and terms of
2 the proposals described in paragraph (1) are—

3 “(A) reasonable and appropriate; and

4 “(B) in an amount sufficient to ensure the
5 Disaster Relief Fund has the resources nec-
6 essary to respond to major disasters;

7 “(4) identifies the proposals, if any, that con-
8 tain rates and terms that satisfy the requirements of
9 subparagraphs (A) and (B) of paragraph (3); and

10 “(5) describes the extent to which the proposals
11 described in paragraph (4) would minimize the likeli-
12 hood that the Disaster Relief Fund would require
13 emergency supplemental appropriations.

14 “(d) AUTHORITY TO IMPLEMENT.—

15 “(1) IN GENERAL.—The Administrator may an-
16 nually transfer a portion of the risk of the payments
17 that may be made pursuant to this section to private
18 insurance, reinsurance, or the capital markets, or
19 any combination thereof, pursuant to the rates and
20 terms of any proposals described in subsection
21 (c)(4), if the Administrator determines that transfer-
22 ring such a portion is in the public interest.

23 “(2) APPLICABILITY OF FEDERAL ACQUISITION
24 REGULATION.—Any transfer of risk pursuant to
25 paragraph (1) may be entered into without regard to

1 the provisions of chapter 1 of title 48, Code of Fed-
2 eral Regulations.

3 “(3) EXPIRATION OF AUTHORITY.—The author-
4 ity described in paragraph (1) expires 5 years after
5 the date on which the Administrator first transfers
6 a portion of risk pursuant to such paragraph.

7 “(4) MULTIYEAR CONTRACTS.—Nothing in this
8 subsection may be construed to prevent or prohibit
9 the Administrator from entering into contracts hav-
10 ing a duration longer than 1 year.

11 “(e) REPORT.—Not later than 6 months after the
12 date on which the Administrator identifies a proposal that
13 contains rates and terms that satisfy the requirements of
14 subparagraphs (A) and (B) of subsection (c)(3), the Ad-
15 ministrator shall submit to Congress a report detailing—

16 “(1) whether the Administrator adopted the
17 proposal; and

18 “(2) the reasons the Administrator adopted or
19 did not adopt such proposal.”.

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