

Background on the Reauthorization of the National Flood Insurance Program

Timeline

The last reauthorization of the National Flood Insurance Program (NFIP) occurred under the Biggert-Waters Flood Insurance Reform Act of 2012 (BW-12). BW-12 was signed in to law on July 6, 2012 and is set to expire on September 30, 2017. Legislation fully reauthorizing the NFIP or extending the current NFIP will need be passed by Congress prior to September 30, 2017 to avoid any lapses in the program. In addition, the Homeowners Flood Insurance Affordability Act of 2014, signed in to law in March of 2014, authorized a study of NFIP affordability issues and the development of a framework to address impacts. The affordability study was finalized in December of 2015 and the framework is expected to be completed in the summer of 2017. Many anticipate the affordability framework will help shape the debate on reauthorization of the NFIP.

Significant Congressional Committees and Members

Key committees and members

House Financial Services (for NFIP)

Chairman Jeb Hensarling (R-TX-5)

Ranking Member Maxine Waters (D-CA-43)

FL Members:

Bill Posey (R)

Dennis A. Ross (R)

Patrick Murphy (D)

Subcommittee on Housing and Insurance

Chairman Blaine Luetkemeyer (R-MO-3)

Ranking Member Emanuel Cleaver (D-MO-5)

FL Members:

Dennis A. Ross (R)

House Committee on Homeland Security (for FEMA disaster assistance)

Chairman Michael McCaul (R-TX-10)

Ranking Member Bennie Thompson (D-MS-2)

FL Members:

Curt Clawson (R-FL-19)

Subcommittee on Emergency Preparedness, Response, and Communications

Chairman Martha McSally (R-AZ-2)

Ranking Member Rep. Donald Payne (D-NJ-10)

Senate Committee on Banking, Housing and Urban Affairs *(for NFIP and FEMA disaster assistance)*

Chairman Richard Shelby (R-AL)

Ranking Member Sherrod Brown (D-OH)

Subcommittee on Economic Policy

Chairman Dean Heller (R-NV)

Ranking Member Elizabeth Warren (D-MA)

Current NFIP-Related Bills in the 114th Congress

Bills ranked in order of importance

Flood Insurance Market Parity and Modernization Act

H.R. 2901, the Flood Insurance Market Parity and Modernization Act

- Rep. Dennis Ross (R-FL-15) & Rep. Patrick Murphy (D-FL-18)
- 20 cosponsors
- Introduced 6/25/2015
- Referred to House Committee on Financial Services
- Hearing held by Subcommittee on Housing and Insurance on January 13th; also discussed at hearing on January 12th
- Companion bill to S. 1679
- Amends the Flood Disaster Protection Act to clarify that flood insurance offered by a private carrier outside of the NFIP can satisfy the Act’s mandatory purchase requirement. H.R. 2901 defines acceptable private flood insurance as a policy providing flood insurance coverage that is issued by an insurance company that is licensed, admitted, or otherwise approved to engage in the business of insurance in the state or jurisdiction in which the insured property is located. Under H.R. 2901, an acceptable private flood insurance policy may also be issued by an insurance company that is eligible as a non-admitted insurer to provide insurance in the state or jurisdiction where the property to be insured is located.

S. 1679, the Flood Insurance Market Parity and Modernization Act

- Sen. Dean Heller (R-NV) & Sen. Jon Tester (D-MT)
- 2 cosponsors
- Introduced 6/25/2015
- Referred to Senate Committee on Banking, Housing and Urban Affairs
- Companion bill to H.R. 2901
- See H.R. 2901 for summary.

Flood Insurance Transparency and Accountability Act of 2015

H.R. 4107, the Flood Insurance Transparency and Accountability Act of 2015

- Rep. Daniel Donovan (R-NY-11) & Rep. Kathleen Rice (D-NY-4)
- 2 cosponsors
- Introduced 11/19/2015
- Referred to House Committee on Financial Services
- Companion to S. 2324
- Would require more transparency so that property owners have access to documents related to their insurance claims. Under the bill’s provisions, the insurance policyholder will receive the first and final copies of engineering reports used in claims adjudication. The law also requires FEMA to conduct yearly reviews of insurance companies and all other private entities that participate in NFIP to ensure contractors are complying with its policies. It additionally ensures that claims cannot be

denied using an “earth movement” exclusion when earth movement is caused by a flooding event – a loophole many say has been exploited to avoid payouts. As to the claims process itself, the bill amends the statute of limitations for filing a claim to two years from the flood event, instead of using different times for different policyholders. The bill also requires the secretary of Homeland Security to report to Congress on how the department plans to prevent fraudulent contractors from future participation in NFIP. Similarly, FEMA has one year to report on how it plans to reform the flood insurance program.

S. 2324, the **Flood Insurance Transparency and Accountability Act of 2015**

- Sen. Kirsten Gillibrand (D-NY) & Sen. Charles Schumer (D-NY)
- 1 cosponsor
- Introduced 11/19/2015
- Referred to Senate Committee on Banking, Housing and Urban Affairs
- Companion to H.R. 4107
- See H.R. 4107 for summary.

H.R. 2918, the **Flood Insurance Fairness Act of 2015**

- Rep. Carlos Curbelo (R-FL-26) & Rep. Patrick Murphy (D-FL-18)
- 7 cosponsors
- Introduced 6/25/2015
- Referred to House Committee on Financial Services
- Amends the National Flood Insurance Act of 1968 to repeal provisions that prohibit the Federal Emergency Management Agency (FEMA) from estimating subsidized risk premium rates for flood insurance coverage on: (1) residential property which is not the primary residence of an individual, and (2) any business property. Qualifies those properties for such rates. Requires FEMA, when developing guidance and rate tables necessary to implement this Act, to consult with Write Your Own companies, which are participating property and casualty insurance companies that write and service standard flood insurance policies in cooperation with FEMA. Directs Write Your Own companies to implement the changes required by the final guidance and rate tables within six to eight months after their issuance.

H.R. 141, the **Flood Insurance Premium Parity Act of 2015**

- Rep. David Jolly (R-FL-13)
- 6 cosponsors
- Introduced 1/6/2015
- Referred to House Committee on Financial Services
- Extends HFIAA rate reforms that apply to primary homes to second homes and commercial properties.

H.R. 3456, the **Flood Insurance Mitigation and Policyholder Protection Act of 2015**

- Rep. Daniel Donovan (R-NY-11)
- 2 cosponsors
- Introduced 9/9/2015
- Referred to House Committee on Financial Services
- Directs FEMA to require that any report of an on-site inspection of a property by a claims adjuster or engineer for the purpose of assessing any claim for losses covered by a flood insurance policy: (1) may not be transmitted to any other person, employer, agency, or entity, before it is transmitted to the insured; (2) may not include alterations by, or at the request of, anyone other than such preparer and shall include the preparer's certification that it does not contain any such alterations;

and (3) shall be transmitted in a manner that gives reasonable assurance that it was transmitted directly to the insured by the preparer. A claimant is authorized, in the case of a denial by FEMA or an insurance company of a claim for losses that is appealed to FEMA, to institute an action on such claim against FEMA or such insurance company in U.S. district court within one year after the date of a final determination upon appeal denying such claim. FEMA must, within 60 days after enactment, issue guidelines required under the Homeowner Flood Insurance Affordability Act of 2014 for alternative mitigation methods, other than building elevation, to reduce flood risk to residential buildings that cannot be elevated due to their structural characteristics.

H.R. 3317, the **Flood Insurance Integrity Act of 2015**

- Rep. Gus Bilirakis (R-FL-12)
- 2 cosponsors
- Introduced 7/29/2015
- Referred to House Committee on Financial Services
- Directs the GAO to review every four years the rate tables established by the Federal Emergency Management Agency for implementing the national flood insurance program under the National Flood Insurance Act of 1968, and determine whether: (1) the chargeable premium rates for flood insurance coverage determined by those tables are actuarially sound, based on standard actuarial practices used in the private sector; and (2) such chargeable premium rates are sufficient to ensure the long-term financial sustainability of the national flood insurance program. Directs GAO to review annually the process for establishing and updating flood insurance rate maps and determine the degree of accuracy of the mapping process.

H.R. 3297, the **Fairness in Flood Insurance Act of 2015**

- Rep. Morgan Griffith (R-VA-9)
- 1 cosponsor
- Introduced 7/29/2015
- Referred to House Committee on Financial Services
- Requires: GAO study on effects of changing base flood elevation; GAO study on the current adequacy of flood maps; FEMA to evaluate if the office of the Flood Insurance Advocate has sufficient staff to carry out the duties and responsibilities of the Advocate. The bill also requires FEMA to consult the Technical Mapping Advisory Council regarding methods or actions to make the mapping process more efficient and help assist communities to locate resources to successfully appeal flood elevations and flood hazard area designations. The bills makes several amendments to help appeals, and for other purposes.

Key FEMA Staff

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