

Federal Legislation Information

Legislative Update – 3/25/2016

On March 2, the House Financial Services Committee passed HR 2901 (the “Flood Insurance Market Parity and Modernization Act”). The bill may now go before the full House for consideration and a possible vote. Among other things, the bill, if enacted, would revise (i) the mandatory purchase of flood insurance statute to include references to "private flood insurance" along with "Federal flood insurance," and (ii) the definition of "private flood insurance" that was introduced to the statute by BW 12.

Also in March, HR 4866 (the “Flood Insurance Rate Increase Suspension Act of 2016”) was introduced in the House and would delay for one year the flood insurance rate increases that were required by BW 12 for certain properties.

The list below includes summaries of Congressional bills that may affect your business. We have included the bill’s title, legislative status, and some key points from each bill. Also, for your reference, we have created a [Legislative Process Flowchart](#), and you may wish to access the [House](#) and [Senate](#) Committee websites for information on the activity of a particular Committee or Subcommittee. While we provide some key points from each bill, we encourage you to review the entire text of a given bill available through the [Library of Congress website](#). Once on the website, you can search by bill number (for example “HR 2901” or “S 2324”).

HR 4866

Title: Flood Insurance Rate Increase Suspension Act of 2016

Status: 3/23/2016 – Referred to the House Committee on Financial Services

Key Points:

- Would delay for one year flood insurance rate increases required by BW 12

HR 2901 (S 1679 is a related bill)

Title: Flood Insurance Market Parity and Modernization Act

Status: 3/2/2016 – Committee consideration and mark-up session held - Ordered to be reported (amended)

Key Points:

- Would modify the existing statutes related to the mandatory purchase requirement to include private flood insurance coverage requirements
- Would revise the definition of “private flood insurance” within the existing statutes

HR 2029

Title: Consolidated Appropriations Act, 2016

Status: 12/18/2015 – Signed by President

Key Points:

- Appropriates funding for FEMA and certain activities of the NFIP through fiscal year 2016, including \$190,000,000 for flood hazard mapping and risk analysis

HR 4107 (S 2324 is a related bill)

Title: Flood Insurance Transparency and Accountability Act of 2015

Status: 11/19/2015 – Referred to the House Committee on Financial Services

Key Points:

- Would have FEMA require that any flood insurance claims reports by an adjuster or engineer be provided first to the insured and that such reports be certified to contain no alterations
- Would modify the timeline for claimants to institute legal action against FEMA or WYOs for denied claims
- Would provide a direct point of contact in the NFIP Flood Insurance Advocate's office for policyholders to discuss claim denials and appeals
- Would have FEMA conduct an annual review of private entities participating in the NFIP, including companies contracted with WYOs
- Would have FEMA create and maintain a public database related to NFIP claims
- Would prevent denial of a claim based on the earth movement exclusion of the Standard Flood Insurance Policy
- Would have FEMA provide certain notifications to policyholder claimants related to claim and appeal denials
- Would provide a legislative definition for “Write Your Own”
- Would have DHS submit a report to Congress related to the NFIP and Hurricane Sandy
- Would have FEMA submit a report to Congress related to the NFIP Transformation Task Force

HR 3456

Title: Flood Insurance Mitigation and Policyholder Protection Act of 2015

Status: 9/9/2015 – Referred to the House Committee on Financial Services

Key Points:

- Would have FEMA require that any flood insurance claims reports by an adjuster or engineer be provided first to the insured and that such reports be certified to contain no alterations
- Would allow claimants, in the case of a claim denial that is appealed, to institute a legal action against FEMA or a WYO within one year of a final determination denying such claim upon appeal
- Would require that the flood mitigation methods pursuant to HFIAA Section 26 be issued within 60 days of enactment

HR 3317

Title: Flood Insurance Integrity Act of 2015

Status: 7/29/2015 – Referred to the House Committee on Financial Services

Key Points:

- Would have the GAO conduct a review of NFIP rate tables every four years to make a determination of actuarial soundness and sufficiency for long-term financial sustainability of the NFIP
- Would have the GAO, in consultation with the USGS, conduct an annual review of the accuracy of the FIRM mapping process

HR 3297

Title: Fairness in Flood Insurance Act of 2015

Status: 7/29/2015 – Referred to the House Committee on Financial Services

Key Points:

- For appeals of proposed flood hazard determinations, would require that FEMA have the burden of proving the proposed information is scientifically and technically correct
- Would change the appeals period for proposed flood hazard determinations from 90 days to six months
- Would allow property owners to directly request flood map updates from FEMA and to appeal denials of such requests
- Would have FEMA take into consideration differences between properties located in coastal and inland areas when estimating premium rates
- Would have FEMA consult with TMAC to make TMAC's flood map processes more efficient
- Would have FEMA ensure that the Flood Insurance Advocate has sufficient staff to complete the duties and responsibilities of the Advocate, including direct conversations with insurance agents
- Would have the GAO conduct a study on the scientific and technical adequacy of flood maps
- Would have the GAO conduct a study regarding the effects on the NFIP of changing SFHAs from a 1-percent annual chance flood to a 10-percent annual chance flood

HR 2918

Title: Flood Insurance Fairness Act of 2015

Status: 6/25/2015 – Referred to the House Committee on Financial Services

Key Points:

- Would restore pre-FIRM subsidized rates for non-primary residences and for business properties

S 1481 (HR 2616 is a related bill)

Title: Urban Flooding Awareness Act of 2015

Status: 6/2/2015 – Referred to the Senate Committee on Banking, Housing, and Urban Affairs

Key Points:

- Would have FEMA enter into an agreement with the National Academy of Sciences to conduct a study related to urban flooding, and to report findings and recommendations to Congress

HR 947 (S 487 is a related bill)

Title: Fire-Damaged Home Rebuilding Act of 2015

Status: 2/12/2015 – Referred to the House Committee on Financial Services

Key Points:

- Would authorize variances for repair without elevation of certain residential structures substantially damaged by fire (or other disaster not including flood) in areas having special flood hazards protected by a levee system
- Would prohibit the lowering of flood insurance premium rates for structures repaired pursuant to such variances

HR 141

Title: Flood Insurance Premium Parity Act of 2015

Status: 1/6/2015 – Referred to the House Committee on Financial Services

Key Points:

- Would restore pre-FIRM subsidized rates for non-primary residences that qualify as a secondary residence
- Would restore pre-FIRM subsidized rates for business properties
- Would require refunds for applicable policyholders that have been charged in excess of subsidized rates

HR 3370 (113th Congress) - ENACTED

Title: Homeowner Flood Insurance Affordability Act of 2014 (HFIAA)

Status: 3/21/2014 – Signed by President

Key Points:

- Repeals provisions of Section 100205 of BW 12 that exclude new flood insurance policies and purchased properties from receiving pre-FIRM subsidies while having FEMA refund applicable policyholders that have been charged in excess of subsidized rates
- Allows the purchaser of a property to assume the coverage and premium rates of an existing flood insurance policy on the purchased property
- Repeals Section 100207 of BW 12
- With certain exceptions, prohibits annual premium rate increases in excess of 18% for any property
- For pre-FIRM properties within any single risk classification, requires an annual minimum premium rate increase of 5% of the average of the premium rates for properties within the risk classification
- For properties within any single risk classification, reduces the annual cap on premium rate increases from 20% to 15% of the average of the premium rates for properties within the risk classification
- Allows preferred risk rating for properties newly mapped into a SFHA
- Has FEMA strive to minimize the number of flood insurance policies with annual premiums greater than 1% of the total coverage provided by the policy, and report any exceptions to Congress
- Requires an annual surcharge of \$25 on flood policies (and \$250 in the case of non-residential properties or non-primary residential properties)
- Has FEMA prepare a draft affordability framework of programmatic and regulatory changes to address issues involving NFIP flood insurance affordability
- Has FEMA make flood insurance coverage available that provides for a loss-deductible up to \$10,000 for residential properties
- Excludes from the mandatory purchase requirement non-residential detached structures on residential property, and amends RESPA by requiring an additional statement in the CFPB consumer information booklet about the lender's option to require flood insurance on all structures
- Has FEMA consider property-level flood mitigation activities in estimating risk premium rates
- Has FEMA submit its report on affordability (pursuant to Section 100236 of BW 12) within two years
- Has FEMA certify to Congress when it has implemented a flood mapping program (after review by TMAC) that results in technically credible flood hazard data
- Preserves the residential basement floodproofing and flood insurance rating exceptions granted by FEMA to certain communities
- Has FEMA conduct a study and report to Congress on making available community-based flood insurance policies through the NFIP
- Has FEMA designate a Flood Insurance Advocate for policyholders and property owners

- Modifies the expanded escrow requirement of Section 100209 of BW 12
- Has FEMA issue guidelines for residential buildings that provide alternative methods of mitigation other than elevation
- Has FEMA clearly communicate full flood risk determinations to individual property owners
- Prior to any flood map update process, has FEMA notify affected communities of the intended modeling to be used in the mapping process
- Prior to the issuance of any preliminary flood map, has FEMA notify the U.S. Senate and House Members representing the affected communities of how many structures will be mapped into the SFHA
- Has FEMA submit a feasibility study to Congress on releasing property-level flood policy and claims data

[House Committees](#)

[Legislative Process Flowchart](#)

[Senate Committees](#)