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(Original Signature of Member)

116TH CONGRESS
1ST SESSION

H.R. 3111

To make administrative reforms to the National Flood Insurance Program to increase fairness and accuracy and protect the taxpayer from program fraud and abuse, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. VELÁZQUEZ introduced the following bill; which was referred to the Committee on _____

A BILL

To make administrative reforms to the National Flood Insurance Program to increase fairness and accuracy and protect the taxpayer from program fraud and abuse, 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 “National Flood Insur-
5 ance Program Administrative Reform Act of 2019”.

1 **SEC. 2. PILOT PROGRAM FOR PROPERTIES WITH PRE-**
2 **EXISTING CONDITIONS.**

3 Section 1311 of the National Flood Insurance Act of
4 1968 (42 U.S.C. 4018) is amended by adding at the end
5 the following new subsection:

6 “(c) PILOT PROGRAM FOR INVESTIGATION OF PRE-
7 EXISTING STRUCTURAL CONDITIONS.—

8 “(1) VOLUNTARY PROGRAM.—The Adminis-
9 trator shall carry out a pilot program under this
10 subsection to provide for companies participating in
11 the Write Your Own program (as such term is de-
12 fined in section 1370(a) (42 U.S.C. 4121(a))) to in-
13 vestigate preexisting structural conditions of insured
14 properties and potentially insured properties that
15 could result in the denial of a claim under a policy
16 for flood insurance coverage under this title in the
17 event of a flood loss to such property. Participation
18 in the pilot program shall be voluntary on the part
19 of Write Your Own companies.

20 “(2) INVESTIGATION OF PROPERTIES.—Under
21 the pilot program under this subsection, a Write
22 Your Own company participating in the program
23 shall—

24 “(A) provide in policies for flood insurance
25 coverage under this title covered by the pro-

1 gram that, upon the request of the policyholder,
2 the company shall provide for—

3 “(i) an investigation of the property
4 covered by such policy, using common
5 methods, to determine whether preexisting
6 structural conditions are present that could
7 result in the denial of a claim under such
8 policy for flood losses; and

9 “(ii) if such investigation is not deter-
10 minative, an on-site inspection of the prop-
11 erty to determine whether such preexisting
12 structural conditions are present;

13 “(B) upon completion of an investigation
14 or inspection pursuant to subparagraph (A)
15 that determines that such a preexisting struc-
16 tural condition is present or absent, submit a
17 report to the policyholder and Administrator de-
18 scribing the condition; and

19 “(C) impose a surcharge on each policy de-
20 scribed in subparagraph (A) in such amount
21 that the Administrator determines is appro-
22 priate to cover the costs of investigations and
23 inspections performed pursuant to such policies
24 and reimburse Write Your Own companies par-

1 ticipating in the program under this subsection
2 for such costs.

3 “(3) INTERIM REPORT.—Not later than Decem-
4 ber 31, 2023, the Administrator shall submit a re-
5 port to the Committee on Financial Services of the
6 House of Representatives and the Committee on
7 Banking, Housing, and Urban Affairs of the Senate
8 describing the operation of the pilot program to that
9 date.

10 “(4) SUNSET.—The Administrator may not
11 provide any policy for flood insurance described in
12 paragraph (2)(A) after December 31, 2024.

13 “(5) FINAL REPORT.—Not later than March
14 31, 2025, the Administrator shall submit a final re-
15 port regarding the pilot program under this section
16 to the Committee on Financial Services of the House
17 of Representatives and the Committee on Banking,
18 Housing, and Urban Affairs of the Senate. The re-
19 port shall include any findings and recommendations
20 of the Administrator regarding the pilot program.”.

1 **SEC. 3. PENALTIES FOR FRAUD AND FALSE STATEMENTS**
2 **IN THE NATIONAL FLOOD INSURANCE PRO-**
3 **GRAM.**

4 Part C of chapter 2 of the National Flood Insurance
5 Act of 1968 (42 U.S.C. 4081 et seq.) is amended by add-
6 ing at the end the following new section:

7 **“SEC. 1349. PENALTIES FOR FRAUD AND FALSE STATE-**
8 **MENTS IN THE NATIONAL FLOOD INSURANCE**
9 **PROGRAM.**

10 “(a) **PROHIBITED ACTS.**—A person shall not know-
11 ingly make a false, fictitious, or fraudulent statement, pro-
12 duction, or submission in connection with the proving or
13 adjusting of a claim for flood insurance coverage made
14 available under this Act. Such prohibited acts include—

15 “(1) knowingly forging an engineering report,
16 claims adjustment report or technical assistance re-
17 port used to support a claim determination;

18 “(2) knowingly making any materially false, fic-
19 titious, or fraudulent statement or representation in
20 an engineering report, claims adjustment report, or
21 technical assistance report to support a claim deter-
22 mination that results in a wrongful denial or sub-
23 stantial payment error of flood insurance coverage;

24 “(3) knowingly submitting a materially false,
25 fictitious, or fraudulent claim that results in wrong-
26 ful payment of flood insurance coverage.

1 “(b) DEFINITION.—For purposes of this section, the
2 term ‘knowingly’ means having actual awareness of the
3 prohibitions under this part and acting deliberately in vio-
4 lation of such prohibitions.

5 “(c) ADMINISTRATIVE REMEDY.—Prior to any legal
6 action being taken related to this section, all administra-
7 tive remedies shall be exhausted.

8 “(d) RULE OF CONSTRUCTION.—This section shall
9 not be construed—

10 “(1) to prevent the Federal Government from
11 bringing action against a company or individual
12 under applicable statutes, including the False Claims
13 Act; and

14 “(2) as creating any action, private right of ac-
15 tion, or remedy not otherwise provided by this title
16 or under Federal law.

17 “(3) STATE ACTION.—Any person found to
18 have violated subsection (a) shall be referred to the
19 appropriate and relevant State licensing agency by
20 the Attorney General.”.

21 **SEC. 4. ENHANCED POLICYHOLDER APPEALS PROCESS**
22 **RIGHTS.**

23 (a) ESTABLISHMENT.—Part C of chapter II of the
24 National Flood Insurance Act of 1968 (42 U.S.C. 4081
25 et seq.), as amended by the preceding provisions of this

1 Act, is further amended by adding at the end the following
2 new section:

3 **“SEC. 1350. APPROVAL OF DECISIONS RELATING TO FLOOD**
4 **INSURANCE COVERAGE.**

5 “(a) IN GENERAL.—The Administrator shall estab-
6 lish an appeals process to enable holders of a flood insur-
7 ance policy provided under this title to appeal decisions,
8 with respect to the disallowance, in whole or in part, of
9 any claims for losses covered by flood insurance. Such ap-
10 peals shall be limited to the claim or portion of the claim
11 disallowed.

12 “(b) APPEAL DECISION.—Upon a decision in an ap-
13 peal under subsection (a), the Administrator shall provide
14 the policyholder with a written appeal decision. The appeal
15 decision shall explain the Administrator’s determination to
16 uphold, modify, or overturn the decision. The Adminis-
17 trator may direct the Write Your Own company to take
18 action necessary to resolve the appeal, to include re-inspec-
19 tion, re-adjustment, or payment, as appropriate.

20 “(c) DEADLINE FOR APPEALS DECISION.— The Ad-
21 ministrator shall issue an appeals decision pursuant to
22 subsection (b) not later than the expiration of the 120-
23 day period beginning upon the day on which the Adminis-
24 trator acknowledges receipt of a request by the policy-
25 holder to pursue an appeal of the initial determination re-

1 guarding approval, disapproval, or amount of payment by
2 the Administrator. In cases where extraordinary cir-
3 cumstances, as established by regulation, are dem-
4 onstrated, the 120-day period may be extended by addi-
5 tional successive periods of 30 days.

6 “(d) ADMINISTRATIVE REMEDY.—A policyholder
7 shall exhaust all administrative remedies, including sub-
8 mission of disputed claims to appeal under subsection (a),
9 prior to commencing legal action on a disputed claim.

10 “(e) RULES OF CONSTRUCTION.—This section shall
11 not be construed as—

12 “(1) making the Federal Emergency Manage-
13 ment Agency or the Administrator a party to the
14 flood insurance contract; or

15 “(2) creating any action or remedy not other-
16 wise provided by this title.

17 “(f) POLICYHOLDER LITIGATION.—This section shall
18 not be construed to prevent a policyholder from bringing
19 legal action against the Federal Emergency Management
20 Agency or a Write Your Own company following the ex-
21 haustion of all administrative remedies and pursuant to
22 applicable statute.”.

23 (b) MAINTENANCE OF LITIGATION RIGHTS.—Section
24 1341 of the National Flood Insurance Act of 1968 (42
25 U.S.C. 4072) is amended by adding after the period at

1 the end the following: “For purposes of this section, the
2 time from which the Administrator has acknowledged re-
3 ceipt of a request by the policyholder to pursue an appeal
4 of the initial determination regarding approval, dis-
5 approval, or amount of payment by the Administrator
6 until the Administrator mails a final determination of such
7 appeal shall not be considered towards the one year stat-
8 ute of limitation under this Act. However, this section
9 shall not be construed as creating any action or remedy
10 not otherwise provided by this title.”

11 (c) REPEAL.—Section 205 of the Bunning-
12 Blumenauer-Bereuter Flood Insurance Reform Act of
13 2004 (42 U.S.C. 4011 note) is hereby repealed.

14 **SEC. 5. DEADLINE FOR APPROVAL OF CLAIMS.**

15 (a) IN GENERAL.—Section 1312 of the National
16 Flood Insurance Act of 1968 (42 U.S.C. 4019) is amend-
17 ed—

18 (1) in subsection (a), by striking “The Adminis-
19 trator” and inserting “Subject to other provisions of
20 this section, the Administrator”; and

21 (2) by adding at the end the following new sub-
22 section:

23 “(d) DEADLINE FOR APPROVAL OF CLAIMS.—

24 “(1) IN GENERAL.—The Administrator shall
25 provide that, in the case of any claim for damage to

1 or loss of property under flood insurance coverage
2 made available under this title, an initial determina-
3 tion regarding approval of a claim for payment or
4 disapproval of the claim be made, and notification of
5 such determination be provided to the insured mak-
6 ing such claim, not later than the expiration of the
7 120-day period (as such period may be extended
8 pursuant to paragraph (2)) beginning upon the day
9 on which the policyholder submits a signed proof of
10 loss detailing the damage and amount of the loss.
11 Payment of approved claims shall be made as soon
12 as possible after such approval.

13 “(2) EXTENSION OF DEADLINE.—The Adminis-
14 trator shall—

15 “(A) provide that the period referred to in
16 paragraph (1) may be extended by additional
17 successive periods of 30 days in cases where ex-
18 traordinary circumstances are demonstrated;
19 and

20 “(B) establish, by regulation, criteria for
21 demonstrating such extraordinary cir-
22 cumstances.”.

23 (b) APPLICABILITY.—The amendments made by sub-
24 section (a) shall apply to any claim under flood insurance
25 coverage made available under the National Flood Insur-

1 ance Act of 1968 (42 U.S.C. 4001 et seq.) pending on
2 the date of the enactment of this Act and any claims made
3 after such date of enactment.

4 **SEC. 6. LITIGATION PROCESS OVERSIGHT AND REFORM.**

5 (a) IN GENERAL.—Part C of chapter II of the Na-
6 tional Flood Insurance Act of 1968 (42 U.S.C. 4081 et
7 seq.), as amended by the preceding provisions of this Act,
8 is further amended by adding at the end the following new
9 section:

10 **“SEC. 1351. OVERSIGHT OF LITIGATION.**

11 “(a) OVERSIGHT.—The Administrator shall monitor
12 and oversee litigation conducted by Write Your Own com-
13 panies arising under contracts for flood insurance sold
14 pursuant to this title, to ensure that—

15 “(1) litigation expenses are reasonable, appro-
16 priate, and cost-effective; and

17 “(2) Write Your Own companies comply with
18 guidance and procedures established by the Adminis-
19 trator regarding the conduct of litigation.

20 “(b) DENIAL OF REIMBURSEMENT FOR EX-
21 PENSES.—The Administrator may deny reimbursement
22 for litigation expenses that are determined to be unreason-
23 able, excessive, contrary to guidance issued by the Admin-
24 istrator, or outside the scope of any arrangement entered
25 into with a Write Your Own company.

1 “(c) JOINT DEFENSE.—

2 “(1) AUTHORITY.—The Administrator and the
3 Write Your Own companies may enter into, and op-
4 erate under, a joint defense agreement for any claim
5 or lawsuit, or multiple claims or lawsuits, arising
6 under a contract of flood insurance.

7 “(2) FREE FLOW OF INFORMATION.—Under
8 such joint defense agreement, there may be the free
9 flow of information between the Write Your Own
10 companies, the Administrator, the United States De-
11 partment of Justice, and legal counsel for the Write
12 Your Own companies for the purpose of litigation
13 coordination and to allow the Administrator to per-
14 form oversight responsibility of such litigation.

15 “(3) ARRANGEMENT.— Such joint defense
16 agreement may be included in the Arrangement be-
17 tween the Administrator and the Write Your Own
18 companies.

19 “(4) REGULATIONS.—The Administrator may
20 issue rules or regulations or provide such formal
21 guidance as the Administrator considers necessary
22 and appropriate in order to further such joint de-
23 fense agreement with the Write Your Own compa-
24 nies.”.

1 (b) IMPLEMENTATION.—The Administrator of the
2 Federal Emergency Management Agency shall initiate
3 compliance with section 1351(c) of the National Flood In-
4 surance Act of 1968, as added by the amendment made
5 by subsection (a) of this section, not later than the expira-
6 tion of the 12-month period beginning on the date of the
7 enactment of this Act.

8 **SEC. 7. PROHIBITION ON HIRING DISBARRED ATTORNEYS.**

9 Part C of chapter II of the National Flood Insurance
10 Act of 1968 (42 U.S.C. 4081 et seq.), as amended by the
11 preceding provisions of this Act, is further amended by
12 adding at the end the following new section:

13 **“SEC. 1352. PROHIBITION ON HIRING DISBARRED ATTOR-**
14 **NEYS.**

15 “The Administrator may not at any time newly em-
16 ploy in connection with the flood insurance program under
17 this title any attorney who has been suspended or dis-
18 barred by any court, bar, or Federal or State agency to
19 which the individual was previously admitted to practice.”.

20 **SEC. 8. TECHNICAL ASSISTANCE REPORTS.**

21 (a) USE.—Section 1312 of the National Flood Insur-
22 ance Act of 1968 (42 U.S.C. 4019), as amended by the
23 preceding provisions of this Act, is further amended by
24 adding at the end the following new subsection:

1 “(e) USE OF TECHNICAL ASSISTANCE REPORTS.—
 2 When adjusting claims for any damage to or loss of prop-
 3 erty which is covered by flood insurance made available
 4 under this title, the Administrator may rely upon technical
 5 assistance reports, as such term is defined in section
 6 1312A, only if such reports are final and are prepared
 7 in compliance with applicable State and Federal laws re-
 8 garding professional licensure and conduct.”.

9 (b) DISCLOSURE.—The National Flood Insurance
 10 Act of 1968 is amended by inserting after section 1312
 11 (42 U.S.C. 4019) the following new section:

12 **“SEC. 1312A. DISCLOSURE OF TECHNICAL ASSISTANCE RE-**
 13 **PORTS.**

14 “(a) IN GENERAL.—Notwithstanding section 552a of
 15 title 5, United States Code, upon request by a policy-
 16 holder, the Administrator shall provide a true, complete,
 17 and unredacted copy of any technical assistance report
 18 that the Administrator relied upon in adjusting and pay-
 19 ing for any damage to or loss of property insured by the
 20 policyholder and covered by flood insurance made available
 21 under this title. Such disclosures shall be in addition to
 22 any other right of disclosure otherwise made available pur-
 23 suant such section 552a or any other provision of law.

24 “(b) DIRECT DISCLOSURE BY WRITE YOUR OWN
 25 COMPANIES AND DIRECT SERVICING AGENTS.—A Write

1 Your Own company or direct servicing agent in possession
2 of a technical assistance report subject to disclosure under
3 subsection (a) may disclose such technical assistance re-
4 port without further review or approval by the Adminis-
5 trator.

6 “(c) DEFINITIONS.—For purposes of this section, the
7 following definitions shall apply:

8 “(1) POLICYHOLDER.—The term ‘policyholder’
9 means a person or persons shown as an insured on
10 the declarations page of a policy for flood insurance
11 coverage sold pursuant to this title.

12 “(2) TECHNICAL ASSISTANCE REPORT.—The
13 term ‘technical assistance report’ means a report
14 created for the purpose of furnishing technical as-
15 sistance to an insurance claims adjuster assigned by
16 the National Flood Insurance Program, including by
17 engineers, surveyors, salvors, architects, and cer-
18 tified public accounts.”.

19 **SEC. 9. IMPROVED DISCLOSURE REQUIREMENT FOR**
20 **STANDARD FLOOD INSURANCE POLICIES.**

21 (a) IN GENERAL.—Section 100234 of the Biggert-
22 Waters Flood Insurance Reform Act of 2012 (42 U.S.C.
23 4013a) is amended by adding at the end the following new
24 subsections:

25 “(c) DISCLOSURE OF COVERAGE.—

1 “(1) DISCLOSURE SHEET.—Each policy under
2 the National Flood Insurance Program shall include
3 a standard disclosure sheet that is produced by the
4 Administrator that sets forth, in plain language—

5 “(A) the definition of the term ‘flood’ for
6 purposes of coverage under the policy;

7 “(B) a description of what type of flood
8 forces are necessary so that losses from an
9 event are covered under the policy, including
10 overflow of inland or tidal waves, unusual and
11 rapid accumulation or runoff of a surface any
12 source, and mudflow;

13 “(C) a statement acknowledging that a
14 standard flood insurance policy does not cover
15 basement improvements, such as finished walls,
16 floors, and ceilings, or personal property kept in
17 a basement;

18 “(D) a statement acknowledging a stand-
19 ard flood insurance policy does not include cov-
20 erage for personal property, but such coverage
21 may be purchased, for some personal property
22 contained in a basement, as well as personal be-
23 longings contained elsewhere in the dwelling;

1 “(E) a statement of the other types and
2 characteristics of losses that are not covered
3 under the policy;

4 “(F) a statement that the disclosure sheet
5 provides general information about the policy-
6 holder’s standard flood insurance policy;

7 “(G) a statement that the standard flood
8 insurance policy, together with the endorse-
9 ments and declarations page, make up the offi-
10 cial contract and are controlling in the event
11 that there is any difference between the infor-
12 mation on the disclosure sheet and the informa-
13 tion in the policy;

14 “(H) a statement that, if the policyholder
15 has any questions regarding information in the
16 disclosure sheet or policy, the policyholder
17 should contact the entity selling the policy on
18 behalf of the Program, together with contact in-
19 formation sufficient to allow the policyholder to
20 contact such entity; and

21 “(I) any other information that the Admin-
22 istrator determines will be helpful to policy-
23 holder in understanding flood insurance cov-
24 erage.

1 “(2) ACKNOWLEDGMENT SHEET.—Each policy
2 application under the National Flood Insurance Pro-
3 gram shall include an acknowledgment sheet on
4 which the policyholder shall affirmatively—

5 “(A) acknowledge that the policyholder re-
6 ceived the disclosure sheet required under para-
7 graph (1);

8 “(B) accept or decline coverage for per-
9 sonal property;

10 “(C) accept or decline other optional cov-
11 erage that may be available;

12 “(D) acknowledge the policyholder’s under-
13 standing that the standard flood insurance poli-
14 cy, together with the endorsements and dec-
15 larations page, make up the official contract
16 and are controlling in the event that there is
17 any difference between the information on the
18 acknowledgment sheet and the information in
19 the policy; and

20 “(E) acknowledge that the policyholder has
21 been provided and has reviewed a summary,
22 which may be the policy declarations page, of
23 the total cost, amount and extent of insurance
24 coverage provided under the policy.

1 “(d) **RULE OF CONSTRUCTION.**—This section shall
2 not be construed to void or alter the coverage terms of
3 the underlying standard flood insurance policy and the
4 corresponding endorsements. In the event that the cus-
5 tomer does not affirmatively acknowledge the require-
6 ments under subsection (c)(2), a Write Your Own com-
7 pany may still issue the policy on behalf of the National
8 Flood Insurance Program under such terms.”.

9 (b) **REPEALS.**—Sections 202 and 203 of the
10 Bunning-Bereuter-Blumenauer Flood Insurance Reform
11 Act of 2004 (42 U.S.C. 4011 note) is hereby repealed.

12 **SEC. 10. RESERVE FUND AMOUNTS.**

13 Section 1310 of the National Flood Insurance Act of
14 1968 (42 U.S.C. 4017) is amended by adding at the end
15 the following new subsection:

16 “(g) **CREDITING OF RESERVE FUND AMOUNTS.**—
17 Funds collected pursuant to section 1310A may be cred-
18 ited to the Fund under this section to be available for the
19 purpose described in subsection (d)(1).”.

20 **SEC. 11. SUFFICIENT STAFFING FOR OFFICE OF FLOOD IN-**
21 **SURANCE ADVOCATE.**

22 (a) **IN GENERAL.**—Section 24 of the Homeowner
23 Flood Insurance Affordability Act of 2014 (42 U.S.C.
24 4033) is amended by adding at the end the following new
25 subsection:

1 “(c) STAFF.—The Administrator shall ensure that
2 the Flood Insurance Advocate has sufficient staff to carry
3 out all of the duties and responsibilities of the Advocate
4 under this section.”.

5 (b) TIMING.—The Administrator of the Federal
6 Emergency Management Agency shall take such actions
7 as may be necessary to provide for full compliance with
8 section 24(c) of the Homeowner Flood Insurance Afford-
9 ability Act of 2014, as added by the amendment made by
10 subsection (a) of this section, not later than the expiration
11 of the 180-day period beginning on the date of the enact-
12 ment of this Act.

13 **SEC. 12. FEDERAL FLOOD INSURANCE ADVISORY COM-**
14 **MITTEE.**

15 Section 1318 of the National Flood Insurance Act of
16 1968 (42 U.S.C. 4025) is amended to read as follows:

17 **“SEC. 1318. FEDERAL FLOOD INSURANCE ADVISORY COM-**
18 **MITTEE.**

19 “(a) ESTABLISHMENT.—There is established an advi-
20 sory committee to be known as the Federal Flood Insur-
21 ance Advisory Committee (in this section referred to as
22 the ‘Committee’).

23 “(b) MEMBERSHIP.—

24 “(1) MEMBERS.—The Committee shall consist
25 of—

1 “(A) the Administrator of the Federal
2 Emergency Management Agency (in this section
3 referred to as the ‘Administrator’), or the des-
4 ignee thereof; and

5 “(B) additional members appointed by the
6 Administrator or the designee of the Adminis-
7 trator, who shall include—

8 “(i) three representatives of Write
9 Your Own companies;

10 “(ii) one individual who served in the
11 past, or is currently serving, as an insur-
12 ance regulator of a State, the District of
13 Columbia, the Commonwealth of Puerto
14 Rico, Guam, the Commonwealth of the
15 Northern Mariana Islands, the Virgin Is-
16 lands, American Samoa, or any federally-
17 recognized Indian tribe;

18 “(iii) one representative of the finan-
19 cial or insurance sectors who is involved in
20 risk transfers, including reinsurance, resil-
21 ience bonds, and other insurance-linked se-
22 curities;

23 “(iv) one actuary with demonstrated
24 high-level knowledge of catastrophic risk
25 insurance;

1 “(v) two insurance agents or brokers
2 with demonstrated experience with the sale
3 of flood insurance under the National
4 Flood Insurance Program, one of whom
5 shall have demonstrated expertise in the
6 challenges in insuring low-income commu-
7 nities;

8 “(vi) one insurance claims specialist;

9 “(vii) one representative of a recog-
10 nized consumer advocacy organization; and

11 “(viii) one representative from an aca-
12 demic institution who has demonstrated
13 expertise in insurance.

14 “(2) QUALIFICATIONS.—In appointing members
15 under paragraph (1)(C), the Administrator shall, to
16 the maximum extent practicable, ensure the mem-
17 bership of the Committee has a balance of members
18 reflecting geographic diversity, including representa-
19 tion from areas inland or with coastline identified by
20 the Administrator as at high risk for flooding or as
21 areas having special flood hazards.

22 “(c) DUTIES.—The Administrator shall submit, and
23 the Committee shall review and make recommendations
24 on, matters related to the insurance aspects of the Na-
25 tional Flood Insurance Program, including ratemaking,

1 technology to administer insurance, risk assessment, actu-
2 arial practices, claims practices, sales and insurance deliv-
3 ery, compensation and allowances, the public-private part-
4 nership under the Write Your Own arrangement, general
5 best insurance practices, and any significant changes pro-
6 posed to be made regarding the operation of the National
7 Flood Insurance Program.

8 “(d) CHAIRPERSON.—The members of the Com-
9 mittee shall elect one member to serve as the chairperson
10 of the Committee (in this section referred to as the ‘Chair-
11 person’).

12 “(e) COMPENSATION.—Members of the Committee
13 shall receive no additional compensation by reason of their
14 service on the Committee. Members may be reimbursed
15 by the Federal Government for travel expenses, including
16 per diem in lieu of subsistence, at rates consistent with
17 rates authorized for employees of Federal agencies under
18 subchapter 1 of chapter 57 of title 5, United States Code,
19 while away from home or regular places of business in per-
20 formance of service for the Committee.

21 “(f) MEETINGS AND ACTIONS.—

22 “(1) IN GENERAL.—The Committee shall meet
23 not less frequently than twice each year at the re-
24 quest of the Chairperson or a majority of its mem-
25 bers, and may take action by a vote of the majority

1 of the members in accordance with the Committee’s
2 charter.

3 “(2) INITIAL MEETING.—The Administrator, or
4 a person designated by the Administrator, shall re-
5 quest and coordinate the initial meeting of the Com-
6 mittee.

7 “(g) TRANSPARENCY; FACA.—To the greatest ex-
8 tent possible, the Committee shall operate in a transparent
9 manner that adheres to the requirements of the Federal
10 Advisory Committee Act, with the exception that the Com-
11 mittee shall be permitted to freely communicate both dur-
12 ing and between meetings under paragraph (f) in a con-
13 fidential manner to discuss non-public information regard-
14 ing the operations of the National Flood Insurance Pro-
15 gram and other sensitive and non-public issues. If such
16 communication occurs, the Committee shall, to the great-
17 est extent possible, report a summary of such discussions
18 in an appropriate public manner.

19 “(h) STAFF OF FEMA.—Upon the request of the
20 Chairperson, the Administrator may detail, on a non-
21 reimbursable basis, personnel of the Federal Emergency
22 Management Agency to assist the Committee in carrying
23 out its duties.

24 “(i) POWERS.—In carrying out this section, the Com-
25 mittee may hold hearings, receive evidence and assistance,

1 provide information, and conduct research, as it considers
2 appropriate.

3 “(j) REPORTS TO CONGRESS.—The Administrator,
4 on an annual basis, shall report to the Committee on Fi-
5 nancial Services of the House of Representatives, the
6 Committee on Banking, Housing, and Urban Affairs of
7 the Senate, and the Office of Management and Budget
8 on—

9 “(1) the recommendations made by the Com-
10 mittee;

11 “(2) actions taken by the Federal Emergency
12 Management Agency to address such recommenda-
13 tions to improve the insurance aspects of the na-
14 tional flood insurance program; and

15 “(3) any recommendations made by the Com-
16 mittee that have been deferred or not acted upon,
17 together with an explanatory statement.

18 “(k) RULE OF CONSTRUCTION.—This section shall
19 not be construed to eliminate or alter any requirement on
20 the Administrator associated with the notification or con-
21 sultation of specified individuals or groups of individuals
22 as required elsewhere by statute.”.

23 **SEC. 13. INTERAGENCY GUIDANCE ON COMPLIANCE.**

24 The Federal entities for lending regulation (as such
25 term is defined in section 3(a) of the Flood Disaster Pro-

1 tection Act of 1973 (42 U.S.C. 4003(a))), in consultation
2 with the Administrator of the Federal Emergency Man-
3 agement Agency, shall update and reissue the document
4 entitled “Interagency Questions and Answers Regarding
5 Flood Insurance” not later than the expiration of the 12-
6 month period beginning on the date of the enactment of
7 this Act and not less frequently than biennially thereafter.

8 **SEC. 14. GAO STUDY OF CLAIMS ADJUSTMENT PRACTICES.**

9 The Comptroller General of the United States shall
10 conduct a study of the policies and practices for adjust-
11 ment of claims for losses under flood insurance coverage
12 made available under the National Flood Insurance Act,
13 which shall include—

14 (1) a comparison of such policies and practices
15 with the policies and practices for adjustment of
16 claims for losses under other insurance coverage;

17 (2) an assessment of the quality of the adjust-
18 ments conducted and the effects of such policies and
19 practices on such quality;

20 (3) identification of any incentives under such
21 policies and practices that affect the speed with
22 which such adjustments are conducted; and

23 (4) identification of the affects of such policies
24 and practices on insureds submitting such claims for
25 losses.

1 Not later than the expiration of the 18-month period be-
2 ginning on the date of the enactment of this Act, the
3 Comptroller General shall submit a report to the Com-
4 mittee on Financial Services of the House of Representa-
5 tives and the Committee on Banking, Housing, and Urban
6 Affairs of the Senate regarding the findings and conclu-
7 sions of the study conducted pursuant to this section.

8 **SEC. 15. GAO STUDY OF FLOOD INSURANCE COVERAGE**
9 **TREATMENT OF EARTH MOVEMENT.**

10 The Comptroller General of the United States shall
11 conduct a study of the treatment, under flood insurance
12 coverage made available under the National Flood Insur-
13 ance Act, of earth movement and subsidence, including
14 earth movement and subsidence caused by flooding, which
15 shall include—

16 (1) identification and analysis of the effects of
17 such treatment on the National Flood Insurance
18 Program and insureds under the program;

19 (2) an assessment of the availability and afford-
20 ability of coverage in the private insurance market
21 for earth movement and subsidence caused by flood-
22 ing;

23 (3) an assessment of the effects on the National
24 Flood Insurance Program of covering earth move-
25 ment and subsidence caused by flooding; and

1 (4) a projection of the increased premiums that
2 would be required to make coverage for earth move-
3 ment losses actuarially sound and not fiscally detri-
4 mental to the continuation of the National Flood In-
5 surance Program.

6 Not later than the expiration of the 18-month period be-
7 ginning on the date of the enactment of this Act, the
8 Comptroller General shall submit a report to the Com-
9 mittee on Financial Services of the House of Representa-
10 tives and the Committee on Banking, Housing, and Urban
11 Affairs of the Senate regarding the findings and conclu-
12 sions of the study conducted pursuant to this section.

13 **SEC. 16. DEFINITIONS.**

14 (a) NATIONAL FLOOD INSURANCE ACT OF 1968.—
15 Subsection (a) of section 1370 of the National Flood In-
16 surance Act of 1968 (42 U.S.C. 4121(a)) is amended—

17 (1) in paragraph (14), by striking “and” at the
18 end;

19 (2) in paragraph (15), by striking the period at
20 the end and inserting a semicolon; and

21 (3) by adding at the end the following new
22 paragraphs:

23 “(16) the term ‘Write Your Own Program’
24 means the program under which the Federal Emer-
25 gency Management Agency enters into a standard

1 arrangement with private property insurance compa-
2 nies to sell contracts for flood insurance coverage
3 under this title under their own business lines of in-
4 surance, and to adjust and pay claims arising under
5 such contracts; and

6 “(17) the term ‘Write Your Own company’
7 means a private property insurance company that
8 participates in the Write Your Own Program.”.

9 (b) BIGGERT-WATERS FLOOD INSURANCE REFORM
10 ACT OF 2012.—Subsection (a) of section 100202 of the
11 Biggert-Waters Flood Insurance Reform Act of 2012 (42
12 U.S.C. 4004(a)) is amended by striking paragraph (5) and
13 inserting the following new paragraph:

14 “(5) WRITE YOUR OWN.—The terms ‘Write
15 Your Own Program’ and ‘Write Your Own company’
16 have the meanings given such terms in section
17 1370(a) of the National Flood Insurance Act of
18 1968 (42 U.S.C. 4121(a)).”.