

PROVIDING FOR CONSIDERATION OF THE BILL (H.R. 3121) TO RESTORE THE FINANCIAL SOLVENCY OF THE NATIONAL FLOOD INSURANCE PROGRAM AND TO PROVIDE FOR SUCH PROGRAM TO MAKE AVAILABLE MULTIPERIL COVERAGE FOR DAMAGE RESULTING FROM WINDSTORMS AND FLOODS, AND FOR OTHER PURPOSES

SEPTEMBER 26, 2007.—Referred to the House Calendar and ordered to be printed

Ms. MATSUI, from the Committee on Rules,
submitted the following

R E P O R T

[To accompany H. Res. 683]

The Committee on Rules, having had under consideration House Resolution 683, by a record vote of 8 to 3, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for consideration of H.R. 3121, the Flood Insurance Reform and Modernization Act of 2007, under a structured rule. The rule provides one hour of general debate equally divided and controlled by the chairman and ranking minority member of the Committee on Financial Services. The rule waives all points of order against consideration of the bill except clauses 9 and 10 of rule XXI. The rule provides that the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill, modified by the amendment printed in Part A of this report, shall be considered as adopted. The bill as amended shall be considered as an original bill for the purpose of amendment and shall be considered as read. The rule waives all points of order against provisions in the bill as amended.

The rule makes in order only those further amendments printed in Part B of this report. The further amendments made in order may be offered only in the order printed in this report, may be offered only by a Member designated in this report, shall be considered as read, shall be debatable for the time specified in this report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole. All points of order against the further amendments except for clauses 9 and 10 of rule XXI are waived. The rule

provides one motion to recommit with or without instructions. The rule provides that the Chair may postpone further consideration of the bill to a time designated by the Speaker.

EXPLANATION OF WAIVERS

Although the rule waives all points of order against consideration of the bill (except for clauses 9 and 10 of rule XXI) and against the bill, as amended, the Committee is not aware of any points of order against consideration of the bill or against the bill as amended. The waivers of all points of order are prophylactic in nature.

COMMITTEE VOTES

The results of each record vote on an amendment or motion to report, together with the names of those voting for and against, are printed below:

Rules Committee record vote No. 319

Date: September 26, 2007.

Measure: H.R. 3121.

Motion by: Mr. Dreier.

Summary of motion: To grant an open rule.

Results: Defeated 3–8.

Vote by Members: Hastings (FL)—Nay; Matsui—Nay; Cardoza—Nay; Welch—Nay; Castor—Nay; Arcuri—Nay; Sutton—Nay; Dreier—Yea; Diaz-Balart—Yea; Hastings (WA)—Yea; Slaughter—Nay.

Rules Committee record vote No. 320

Date: September 26, 2007.

Measure: H.R. 3121.

Motion by: Mr. Dreier.

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Hensarling (TX), #11, which would strike Section 7 of the bill which expands the NFIP to include wind coverage, and would replace Section 7 with a blue-ribbon, bipartisan commission, to study and report on legislative and regulatory changes that could improve the availability and competitiveness of disaster insurance.

Results: Defeated 3–8.

Vote by Members: Hastings (FL)—Nay; Matsui—Nay; Cardoza—Nay; Welch—Nay; Castor—Nay; Arcuri—Nay; Sutton—Nay; Dreier—Yea; Diaz-Balart—Yea; Hastings (WA)—Yea; Slaughter—Nay.

Rules Committee record vote No. 321

Date: September 26, 2007.

Measure: H.R. 3121.

Motion by: Mr. Diaz-Balart.

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Garrett (NJ), #13, which would, after the date of enactment of the bill, require any purchaser of a pre-firm primary residential home that costs \$600,000 or higher to pay phased-in actuarial flood insurance prices using the same phase-in structure that non-residential and non-primary homes are currently subject to in the legislation.

Results: Defeated 3–8.

Vote by Members: Hastings (FL)—Nay; Matsui—Nay; Cardoza—Nay; Welch—Nay; Castor—Nay; Arcuri—Nay; Sutton—Nay; Dreier—Yea; Diaz-Balart—Yea; Hastings (WA)—Yea; Slaughter—Nay.

Rules Committee record vote No. 322

Date: September 26, 2007.

Measure: H.R. 3121.

Motion by: Mr. Hastings (WA).

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Hensarling (TX), #15, which would terminate all subsidized NFIP rates beginning 5 years after enactment.

Results: Defeated 3–8.

Vote by Members: Hastings (FL)—Nay; Matsui—Nay; Cardoza—Nay; Welch—Nay; Castor—Nay; Arcuri—Nay; Sutton—Nay; Dreier—Yea; Diaz-Balart—Yea; Hastings (WA)—Yea; Slaughter—Nay.

Rules Committee record vote No. 323

Date: September 26, 2007.

Measure: H.R. 3121.

Motion by: Mr. Hastings (WA).

Summary of motion: To make in order and provide appropriate waivers for an amendment by Rep. Hensarling (TX), #12, which would prohibit the offering of multi-peril coverage (like wind coverage) under NFIP until such time as the NFIP has fully repaid all of the money it borrowed from the Treasury for the 2005 hurricane season, including interest.

Results: Defeated 3–8.

Vote by Members: Hastings (FL)—Nay; Matsui—Nay; Cardoza—Nay; Welch—Nay; Castor—Nay; Arcuri—Nay; Sutton—Nay; Dreier—Yea; Diaz-Balart—Yea; Hastings (WA)—Yea; Slaughter—Nay.

Rules Committee record vote No. 324

Date: September 26, 2007.

Measure: H.R. 3121.

Motion by: Rep. Hastings (FL).

Summary of motion: To report the rule.

Results: Adopted 8–3.

Vote by Members: Hastings (FL)—Yea; Matsui—Yea; Cardoza—Yea; Welch—Yea; Castor—Yea; Arcuri—Yea; Sutton—Yea; Dreier—Nay; Diaz-Balart—Nay; Hastings (WA)—Nay; Slaughter—Yea.

SUMMARY OF AMENDMENT CONSIDERED AS ADOPTED

The amendment strikes the increase in borrowing authority available to the National Flood Insurance Program (“NFIP”) in order to make the bill compliant with PAYGO.

SUMMARY OF AMENDMENTS MADE IN ORDER

(Summaries derived from information provided by sponsors.)

1. Frank (MA): Manager's Amendment. The manager's amendment does the following: (1) requires that homes insured by wind/water policies comply with existing model building codes from the International Code Council pursuant to request from the National Association of Home Builders; (2) requires that specific technologies be used for mapping floodplains (such as geospatial technologies); (3) adds a professional mapping association to the Mapping Advisory Council; (4) prohibits FEMA from enforcing a penalties assessed against individual condo owners where the condo complex is underinsured regarding flood coverage; (5) directs FEMA to develop a plan to verify that the recipients of Homeowner Assistance Grants in Mississippi and Road Home Grants in Louisiana, funded by HUD Community Development Block Grants, maintain flood insurance on their properties as required as a condition of the grants; and (6) codifies recommendations in a recently released GAO report (GAO 07-1078) with respect to the National Flood Insurance Program's payments to insurance companies for their administrative costs without requiring the companies to report their costs or to comply with the existing audit requirements. (10 minutes)

2. Cardoza (CA)/Ross (AR)/Reyes (TX): This amendment says that people forced to purchase flood insurance as a result of the new map who have lived in an area where the levees were previously certified, and have now been decertified, will receive a grace period of 5 years in which they will be entitled to a 50% reduction in their flood insurance premium while the levees are being recertified. (10 minutes)

3. Castor (FL): This amendment commissions a study by the GAO to examine the effect of the new multiperil policy on state insurance programs. (10 minutes)

4. Castor (FL): This amendment clarifies some of the priorities for wind risk criteria generation. (10 minutes)

5. Blumenauer (OR)/Welch (VT)/Gilchrest (MD): The amendment would require FEMA, when updating and maintaining flood maps, to take into consideration the impacts of global warming, the potential future impacts of global climate change-related weather events, and use the best available climate science in assessing flood and storm risks. (10 minutes)

6. Murphy, Patrick (PA)/Arcuri (NY): This amendment would create the position of National Flood Insurance Advocate in FEMA which would: (1) transmit a comprehensive report to Congress about the major problems facing the Flood Insurance Program; and (2) report to Congress about the feasibility and effectiveness of establishing an Office of the Flood Insurance Advocate, headed by the National Flood Insurance Advocate, to assist insureds in resolving problems with FEMA. (10 minutes)

7. Taylor, Gene (MS): This amendment allows multiple peril and flood insurance coverage of apartment buildings up to the total of the number of dwelling units times the maximum coverage limit per residential unit. (10 minutes)

8. Taylor, Gene (MS): The amendment prohibits a company that sells and services flood insurance policies from including language in its own windstorm policies that would exclude coverage of wind damage solely because flooding also contributed to the damage. The amendment also requires the contract between an insurance company and NFIP to state that the company has a fiduciary responsi-

bility to federal taxpayers and will act in the best interests of NFIP. (10 minutes)

9. Costello (IL): The amendment provides that no changes in flood insurance status can go into effect until the remapping process is completed for the entire district of the Corps of Engineers affected by that map. (10 minutes)

10. Green, Gene (TX): This amendment provides a five year phase-in of flood insurance premiums for low-income homeowners or renters whose primary residence is placed within a flood plain through an updating of the flood insurance program maps if the value of the home does not exceed 75% of the state median home value. (10 minutes)

11. Berry (AR)/Ross (AR)/Hare (IL)/Emerson (MO)/Hulshof (MO)/Costello (IL): The amendment authorizes the Director of FEMA to include a note on flood insurance rate maps identifying 100-year and 500-year certified levees and encouraging property owners to evaluate their risk of flooding. The amendment also clarifies that the note shall not be considered a legal requirement of participation in the national flood insurance program. (10 minutes)

12. Walz (MN): This amendment adds to the flood map modernization provisions of H.R. 3121 a requirement that FEMA map areas in the 100-year floodplain that would flood if not for a "levee, dam, or other man-made structure." (10 minutes)

13. Stark (CA)/Burton (IN): This amendment requires written notification by first class mail to each property owner affected by a proposed change in flood elevations, prior to the 90-day appeal period. Notification would include an explanation of the appeal process and contact information for responsible officials. (10 minutes)

PART A—TEXT OF AMENDMENT TO BE CONSIDERED AS ADOPTED

In the heading for section 12, strike "**INCREASE IN**" and insert "**REPORT REGARDING**".

Strike subsection (a) of section 12 (relating to increase in borrowing authority).

In subsection (b) of section 12, strike ", including any" and all that follows and insert the following: "that, as of the expiration of such period, have been borrowed under the authority of section 1309(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4016(a)) and not yet repaid as of such date.".

Strike the subsection designation and heading for subsection (b) of section 12.

PART B—TEXT OF AMENDMENTS MADE IN ORDER UNDER THE RULE

1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE FRANK OF MASSACHUSETTS OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

In the matter proposed to be inserted by section 7(a)(2) of the bill, amend paragraph (2) of subsection (c) to read as follows:

"(2) COMMUNITY PARTICIPATION REQUIREMENT.—Multiperil coverage pursuant to this subsection may not be provided in any area (or subdivision thereof) unless an appropriate public body shall have adopted adequate mitigation measures (with

effective enforcement provisions) which the Director finds are consistent with the criteria for construction described in the International Code Council building codes relating to wind mitigation.”.

In the matter proposed to be inserted by section 7(d) of the bill, in paragraph (1) of subsection (d) strike “windstorm-prone areas as to land management and use, windstorm zoning, and windstorm damage prevention” and inserting “wind events as to wind hazard prevention”.

In the matter proposed to be inserted by the amendment made by section 22(a) of the bill, in subsection (k), redesignate paragraphs (4) through (8) as paragraphs (5) through (9), respectively.

In the matter proposed to be inserted by the amendment made by section 22(a) of the bill, after subsection (k)(3) insert the following new paragraph:

“(4) MAPPING ELEMENTS.—Each map updated under this section shall meet the following requirements:

“(A) GROUND ELEVATION DATA.—The maps shall assess the accuracy of current ground elevation data used for hydrologic and hydraulic modeling of flooding sources and mapping of the flood hazard and wherever necessary acquire new ground elevation data utilizing the most up-to-date geospatial technologies in accordance with the existing guidelines and specifications of the Federal Emergency Management Agency.

“(B) DATA ON A WATERSHED BASIS.—The maps shall develop national flood insurance program flood data on a watershed basis—

“(i) to provide the most technically effective and efficient studies and hydrologic and hydraulic modeling; and

“(ii) to eliminate, to the maximum extent possible, discrepancies in base flood elevations between adjacent political subdivisions.

“(C) OTHER DATA.—The maps shall include any other relevant information as may be recommended by the Technical Mapping Advisory Council reestablished by section 22(b) of the Flood Insurance Reform and Modernization Act of 2007.”.

In section 22(b)(2)(A), strike “14” and insert “15”.

In section 22(b)(2)(B), strike “(N), and (O)” and insert “(O), and (P)”.

In the matter proposed to be inserted by the amendment made by section 22(b)(2)(E) of the bill, after subparagraph (M) insert the following new subparagraph:

“(N) a member of a professional mapping association or organization;”.

At the end of the bill add the following new sections:

SEC. 30. PROHIBITION ON ENFORCEMENT OF PENALTY ASSESSED ON CONDOMINIUM ASSOCIATIONS.

Notwithstanding any other provision of law, the Director of the Federal Emergency Management Agency shall not apply or enforce any penalty relating to the national flood insurance program assessed, during 2005 or thereafter, on condominium associations that are underinsured under such program.

SEC. 31. REPORT OF ADMINISTRATIVE EXPENSES OF WRITE-YOUR-OWN INSURERS; INDEPENDENT AUDITS.

Section 1348 of the National Flood Insurance Act of 1968 (42 U.S.C. 4084) is amended by adding at the end the following new subsections:

“(c) Any insurance company or other private organization executing any contract, agreement, or other appropriate arrangement with the Director under this part shall—

“(1) annually submit to the Director a record of all administrative and operating costs of the program undertaken; and

“(2) biennially submit to the Director an independent audit of the program undertaken that is conducted by a certified public accountant to ensure that payments made are proper and in accordance with this Act.

“(d) The Director shall review the records and audits submitted under paragraphs (1) and (2) of subsection (c) to determine if such payments are reasonable and if the system by which the Director makes payments to an insurance company or other private organization under this part should be revised.

“SEC. 32. PLAN TO VERIFY MAINTENANCE OF FLOOD INSURANCE ON MISSISSIPPI AND LOUISIANA PROPERTIES RECEIVING EMERGENCY SUPPLEMENTAL FUNDS.

“The Director of the Federal Emergency Management Agency shall develop and implement a plan to verify that persons receiving funds under the Homeowner Grant Assistance Program of the State of Mississippi or the Road Home Program of the State of Louisiana from amounts allocated to the State of Mississippi or the State of Louisiana, respectively, from the Community development fund under the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (Public Law 109–148) are maintaining flood insurance on the property for which such persons receive such funds as required by each such Program.”.

2. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE CARDOZA OF CALIFORNIA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of section 22 of the bill, add the following new subsection:

(e) 5-YEAR DISCOUNT OF FLOOD INSURANCE RATES FOR FORMERLY PROTECTED AREAS.—Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015), as amended by the preceding provisions of this Act, is further amended—

(1) in subsection (c), by inserting “and subsection (g)” before the first comma; and

(2) by adding at the end the following new subsection:

“(g) 5-YEAR DISCOUNT OF FLOOD INSURANCE RATES FOR FORMERLY PROTECTED AREAS.—Notwithstanding any other provision of law relating to chargeable risk premium rates for flood insurance coverage under this title, in the case of any area that previously was not designated as an area having special flood hazards because the area was protected by a flood protection system and that, pursuant to remapping under section 1360(k), becomes designated as such an area as a result of the decertification of such flood protection system, during the 5-year period that begins upon the initial

such designation of the area, the chargeable premium rate for flood insurance under this title with respect to any property that is located within such area shall be equal to 50 percent of the chargeable risk premium rate otherwise applicable under this title to the property.”.

3. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE CASTOR OF FLORIDA, OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of the bill add the following new section:

SEC. ____ . GAO STUDY OF FACTORS AFFECTING ENROLLMENT IN MULTIPERIL INSURANCE PROGRAM.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study to identify and analyze factors affecting enrollment in the multiperil insurance program. Such study shall include a study of the effects of the multiperil insurance program on enrollment and pricing of State residual property and casualty markets or plans and State catastrophe plans.

(b) REPORT.—Not later than 270 days after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report containing the conclusions of the study conducted under subsection (a).

4. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE CASTOR OF FLORIDA, OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

In the matter proposed to be inserted by section 7(d) of the bill, in paragraph (2) of subsection (d) strike “windstorms” and insert “windstorms, discourage density and intensity or range of use increases in locations subject to windstorm damage, and enforce restrictions on the alteration of wetlands coastal dunes and vegetation and other natural features that are known to prevent or reduce such damage”.

5. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE BLUMENAUER OF OREGON, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Subsection (k)(2) of section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101), as added by section 22(a) of the bill, is amended by adding at the end the following new subparagraph:

“(C) EFFECTS OF GLOBAL WARMING.—In updating and maintaining maps under this section, the Director shall—

“(i) take into consideration and account for the impacts of global climate change on flood, storm, and drought risks in the United States;

“(ii) take into consideration and account for the potential future impact of global climate change-related weather events, such as increased hurricane activity, intensity, storm surge, sea level rise, and associated flooding; and

“(iii) use the best available climate science in assessing flood and storm risks to determine flood risks and develop such maps.”.

6. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE PATRICK MURPHY OF PENNSYLVANIA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of the bill, add the following new section:

SEC. 30. NATIONAL FLOOD INSURANCE ADVOCATE; REPORTS.

Chapter II of the National Flood Insurance Act of 1968 is amended by inserting after section 1330 (42 U.S.C. 4041) the following new section:

“SEC. 1330A. NATIONAL FLOOD INSURANCE ADVOCATE.

“(a) ESTABLISHMENT OF POSITION.—

“(1) IN GENERAL.—There shall be in the Federal Emergency Management Agency a National Flood Insurance Advocate. The National Flood Insurance Advocate shall report directly to the Director and shall, to the extent amounts are provided pursuant to subsection (c), be compensated at the same rate as the highest rate of basic pay established for the Senior Executive Service under section 5382 of title 5, United States Code, or, if the Director so determines, at a rate fixed under section 9503 of such title.

“(2) APPOINTMENT.—The National Flood Insurance Advocate shall be appointed by the Director and the flood insurance advisory committee established pursuant to section 1318 (42 U.S.C. 4025) and without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service or the Senior Executive Service.

“(3) QUALIFICATIONS.—An individual appointed under paragraph (2) shall have—

“(A) a background in customer service as well as insurance; and

“(B) experience in representing individual insureds.

“(4) RESTRICTION ON EMPLOYMENT.—An individual may be appointed as the National Flood Insurance Advocate only if such individual was not an officer or employee of the Federal Emergency Management Agency with duties relating to the national flood insurance program during the 2-year period ending with such appointment and such individual agrees not to accept any employment with the Federal Emergency Management Agency for at least 5 years after ceasing to be the National Flood Insurance Advocate. Service as an employee of the National Flood Insurance Advocate shall not be taken into account in applying this paragraph.

“(5) STAFF.—To the extent amounts are provided pursuant to subsection (c), the National Flood Insurance Advocate may employ such personnel as may be necessary to carry out the duties of the Advocate.

“(b) DUTIES.—The duties of the National Flood Insurance Advocate shall be to conduct studies with respect to, and submit, the following reports:

“(1) REPORT ON PROBLEMS OF INSURED UNDER NATIONAL FLOOD INSURANCE PROGRAM.—Not later than the expiration of the 12-month period beginning on the date of the enactment of the Flood Insurance Reform and Modernization Act of 2007, the National Flood Insurance Advocate shall submit a report

to the Congress regarding the national flood insurance program, which shall—

“(A) identify areas in which insureds under such program have problems in dealings with the Federal Emergency Management Agency relating to such program, and shall contain a summary of at least 20 of the most serious problems encountered by such insureds, including a description of the nature of such problems;

“(B) identify areas of the law relating to the flood insurance that impose significant compliance burdens on such insureds or the Federal Emergency Management Agency, including specific recommendations for remedying such problems;

“(C) identify the 10 most litigated issues for each category of such insureds, including recommendations for mitigating such disputes;

“(D) identify the initiatives of the Agency to improve services for insureds under the national flood insurance program and actions taken by the Agency with respect to such program;

“(E) contain recommendations for such administrative and legislative action as may be appropriate to mitigate or resolve problems encountered by such insureds; and

“(F) include such other information as the National Flood Insurance Advocate considers appropriate.

“(2) REPORT ON ESTABLISHMENT OF AN OFFICE OF THE FLOOD INSURANCE ADVOCATE.—Not later than the expiration of the 6-month period beginning on the date of the initial appointment of a National Flood Insurance Advocate under this section, the Advocate shall submit a report to the Congress regarding the feasibility and effectiveness of establishing an Office of the Flood Insurance Advocate, headed by the National Flood Insurance Advocate, to assist insureds under the national flood insurance program in resolving problems with the Federal Emergency Management Agency relating to such program. Such report shall examine and analyze, and include recommendations regarding—

“(A) an appropriate structure in which to establish such an Office, and appropriate levels of personnel for such Office;

“(B) other appropriate functions for such an Office, which may include—

“(i) identifying areas in which such insureds have problems in dealing with the Agency relating to such program;

“(ii) proposing changes in the administrative practices of the Agency to resolve or mitigate problems encountered by such insureds; and

“(iii) identifying potential legislative changes which may be appropriate to resolve or mitigate such problems;

“(C) appropriate procedures for formal response by the Director to recommendations submitted to the Director by the National Flood Insurance Advocate;

“(D) the feasibility and effectiveness of authorizing the National Flood Insurance Advocate to issue flood insurance assistance orders in cases in which the Advocate determines that a qualified insured is suffering or about to suffer a significant hardship as a result of the manner in which the flood insurance laws are being administered or meets such other requirements may be appropriate, including examining and analyzing—

“(i) appropriate limitations on the scope and effect of such orders;

“(ii) an appropriate standard for determining such a significant hardship;

“(iii) appropriate terms of flood insurance assistance orders; and

“(iv) appropriate procedures for modifying or rescinding such orders;

“(E) the feasibility and effectiveness of establishing offices of flood insurance advocates who report to the National Flood Insurance Advocate, including examining and analyzing—

“(i) the appropriate coverage and geographic allocation of such offices;

“(ii) appropriate procedures and criteria for referral of inquiries by insureds under such program to such offices;

“(iii) allowing such advocates to consult with appropriate supervisory personnel of the Agency regarding the daily operation of the offices; and

“(iv) providing authority for such advocates not disclose to the Director contact with, or information provided by, such an insured;

“(F) appropriate methods for developing career paths for flood insurance advocates referred to in subparagraph (E) who may choose to make a career in the Office of the Flood Insurance Advocate; and

“(G) such other issues regarding the establishment of an Office of the Flood Insurance Advocate as the National Flood Insurance Advocate considers appropriate.

“(3) DIRECT SUBMISSION OF REPORTS.—Each report required under paragraph (2) shall be provided directly to the Congress by the National Flood Insurance Advocate without any prior review or comment from the Director, the Secretary of Homeland Security, or any other officer or employee of the Federal Emergency Management Agency or the Department of Homeland Security, or the Office of Management and Budget.

“(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for fiscal year 2008 and each fiscal year thereafter such sums as may be necessary to carry out this section.”.

7. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE TAYLOR OF MISSISSIPPI, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

In the matter proposed to be inserted by the amendment made by section 7(a)(2) of the bill, in subsection (c)(7)(A), after “residential properties” insert the following: “, which shall include struc-

tures containing multiple dwelling units that are made available for occupancy by rental (notwithstanding any treatment or classification of such properties for purposes of section 1306(b))”.

In the matter proposed to be inserted by the amendment made by section 7(a)(2) of the bill, in subsection (c)(7)(A)(ii), before the semicolon insert the following: “, which limit, in the case of such a structure containing multiple dwelling units that are made available for occupancy by rental, shall be applied so as to enable any insured or applicant for insurance to receive coverage for the structure up to a total amount that is equal to the product of the total number of such rental dwelling units in such property and the maximum coverage limit per dwelling unit specified in this clause”.

In section 8 of the bill, strike paragraph (3) and insert the following:

(2) in paragraph (4)—

(A) by striking “\$500,000” each place such term appears and inserting “\$670,000”; and

(B) by inserting before “; and” the following: “; except that, in the case of any nonresidential property that is a structure containing more than one dwelling unit that is made available for occupancy by rental (notwithstanding the provisions applicable to the determination of the risk premium rate for such property), additional flood insurance in excess of such limits shall be made available to every insured upon renewal and every applicant for insurance so as to enable any such insured or applicant to receive coverage up to a total amount that is equal to the product of the total number of such rental dwelling units in such property and the maximum coverage limit per dwelling unit specified in paragraph (2); except that in the case of any such multi-unit, nonresidential rental property that is a pre-FIRM structure (as such term is defined in section 578(b) of the National Flood Insurance Reform Act of 1994 (42 U.S.C. 4014 note)), the risk premium rate for the first \$500,000 of coverage shall be determined in accordance with section 1307(a)(2) and the risk premium rate for any coverage in excess of such amount shall be determined in accordance with section 1307(a)(1)”.

8. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE TAYLOR OF MISSISSIPPI, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of the bill, add the following new section:

SEC. 30. REQUIREMENTS RELATING TO WINDSTORM AND FLOOD.

Section 1345 of the National Flood Insurance Act of 1968 (42 U.S.C. 4081) is amended by adding at the end the following new subsection:

“(d) **REQUIREMENTS FOR WRITE-YOUR-OWN INSURERS RELATING TO WINDSTORM AND FLOOD.**—The Director may not utilize the facilities or services of any insurance company or other insurer to offer flood insurance coverage under this title unless such company or insurer enters into a written agreement with the Director that provides as follows:

“(1) PROHIBITION ON EXCLUSION OF WIND DAMAGE COVERAGE.—The agreement shall prohibit the company or insurer from including, in any policy provided by the company or insurer for homeowners’ insurance coverage or coverage for damage from windstorms, any provision that excludes coverage for wind or other damage solely because flooding also contributed to damage to the insured property.

“(2) FIDUCIARY RESPONSIBILITY.—The agreement shall provide that the company or insurer—

“(A) has a fiduciary duty with respect to the Federal taxpayers;

“(B) in selling and servicing policies for flood insurance coverage under this title and adjusting claims under such coverage, will act in the best interests the national flood insurance program rather than in the interests of the company or insurer; and

“(C) will provide written guidance to each insurance agent and claims adjuster for the company or insurer setting forth the terms of the agreement pursuant to subparagraphs (A) and (B).”.

9. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE COSTELLO OF ILLINOIS, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Subsection (k) of section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101), as added by section 22(a) of the bill, is amended by redesignating paragraph (8) as paragraph (9).

Subsection (k) of section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101), as added by section 22(a) of the bill, is amended by inserting after paragraph (7) the following new paragraph:

“(8) USE OF MAPS FOR RATES.—The Director shall not adjust the chargeable premium rate for flood insurance under this title based on an updated national flood insurance program rate map or require the purchase of flood insurance for a property not subject to such a requirement of purchase prior to the updating of such national flood insurance program rate map until an updated national flood insurance program rate map is completed for the entire district of the Corps of Engineers affected by the map, as determined by the district engineer for such district.”.

10. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE GENE GREEN OF TEXAS, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of section 22 of the bill, add the following new subsection:

(e) PHASE-IN OF FLOOD INSURANCE PREMIUMS FOR LOW-COST PROPERTIES.—Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015), as amended by the preceding provisions of this Act, is further amended—

(1) in subsection (c), by inserting “and subsection (g)” before the first comma; and

(2) by adding at the end the following new subsection:

“(g) 5-YEAR PHASE-IN OF PREMIUMS FOR NEWLY COVERED LOW-COST PROPERTIES.—

“(1) IN GENERAL.—In the case of any area not previously designated as an area having special flood hazards that becomes designated as such an area as a result of remapping pursuant to section 1360(k), during the 5-year period that begins upon the initial such designation of the area, the chargeable premium rate for flood insurance under this title with respect to any low-cost property that is located within such area shall be—

“(A) for the first year of such 5-year period, 20 percent of the chargeable risk premium rate otherwise applicable under this title to the property;

“(B) for the second year of such 5-year period, 40 percent of the chargeable risk premium rate otherwise applicable under this title to the property;

“(C) for the third year of such 5-year period, 60 percent of the chargeable risk premium rate otherwise applicable under this title to the property;

“(D) for the fourth year of such 5-year period, 80 percent of the chargeable risk premium rate otherwise applicable under this title to the property; and

“(E) for the fifth year of such 5-year period, 100 percent of the chargeable risk premium rate otherwise applicable under this title to the property.

“(2) LOW-COST PROPERTY.—For purposes of this subsection, the term ‘low-cost property’ means a single-family dwelling, or a dwelling unit in a residential structure containing more than one dwelling unit, that—

“(A) is the principal residence of the owner or renter occupying the dwelling or unit; and

“(B) has a value, at the time of the initial designation of the area having special flood hazards, that does not exceed 75 percent of median home value for the State in which the property is located.”.

11. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE BERRY OF ARKANSAS, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of the bill add the following new section:

SEC. ____ . NOTATIONS ON FLOOD INSURANCE RATE MAPS FOR AREAS PROTECTED AGAINST 100-YEAR AND 500-YEAR FLOODS BY CERTIFIED FLOOD CONTROL STRUCTURE.

The National Flood Insurance Act of 1968 is amended by inserting after section 1361A (42 U.S.C. 4102a) the following new section:

“SEC. 1362. NOTATIONS ON FLOOD INSURANCE RATE MAPS FOR AREAS PROTECTED AGAINST 100-YEAR AND 500-YEAR FLOODS BY CERTIFIED FLOOD CONTROL STRUCTURE.

“(a) 100-YEAR FLOODPLAIN.—The Director may publish, through the publication of a national flood insurance program rate map, a note to designate areas protected against at least the 100-year flood by a certified flood control structure which shall read as follows: ‘NOTE: This area is shown as being protected from at least the 1-percent-annual-chance flood hazard by levee, dike, or other structure. Overtopping or failure of any flood control structure is

possible. Property owners are encouraged to evaluate their flood risk, based on full and accurate information, and to consider flood insurance coverage as appropriate.’

“(b) 500-YEAR FLOODPLAIN.—The Director may publish, through the issuance of a national flood insurance program rate map, a note to designate areas protected against at least the 500-year flood by a certified flood control structure which shall read as follows: ‘NOTE: This area is shown as being protected from at least the 0.2-percent-annual-chance flood hazard by levee, dike, or other structure. Overtopping or failure of any flood control structure is possible. Property owners are encouraged to evaluate their flood risk, based on full and accurate information, and to consider flood insurance coverage as appropriate.’”

“(c) EFFECT OF NOTES.—The publication of a note under subsection (a) or (b) shall not be considered a requirement of participation in the national flood insurance program.”

12. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE WALZ OF MINNESOTA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Subsection (k)(2)(A)(ii) of section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101), as added by section 22(a) of the bill, is amended by striking “and”.

Subsection (k)(2)(A)(iii) of section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101), as added by section 22(a) of the bill, is amended by striking the final period and inserting “; and”.

Subsection (k)(2)(A) of section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101), as added by section 22(a) of the bill, is amended by adding at the end the following new clause:

“(iv) the 100-year floodplain, including any area that would be in the 100-year floodplain if not protected by a levee, dam, or other man-made structure.”

13. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE STARK OF CALIFORNIA, OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

In the matter proposed to be inserted by the amendment made by section 23 of the bill, in section 1363(a)(2), strike “and” at the end.

In the matter proposed to be inserted by the amendment made by section 23 of the bill, in section 1363(a)(3), strike the period at the end and insert “; and”.

In the matter proposed to be inserted by the amendment made by section 23 of the bill, after paragraph (3) of section 1363(a) insert the following new paragraph:

“(4) by providing written notification, by first class mail, to each owner of real property affected by the proposed elevations of—

“(A) the status of such property, both prior to and after the effective date of the proposed determination, with respect to flood zone and flood insurance requirements under this Act and the Flood Disaster Protection Act of 1973;

“(B) the process under this section to appeal a flood elevation determination; and

“(C) the mailing address and phone number of a person the owner may contact for more information or to initiate an appeal.”.

