

S 1940

An original bill to amend the National Flood Insurance Act of 1968, to restore the financial solvency of the flood insurance fund, and for other purposes.

Congress: 112 (2011–2013, Ended)

Chamber: Senate

Policy Area: Finance and Financial Sector

Introduced: Dec 5, 2011

Current Status: Motion by Senator Reid to recommit to Senate Committee on Banking, Housing, and Urban Affairs with i

Latest Action: Motion by Senator Reid to recommit to Senate Committee on Banking, Housing, and Urban Affairs with instructions to report back forthwith with the following amendment (SA 2473) made in Senate. (consideration: CR S4448) (Jun 25, 2012)

Official Text: <https://www.congress.gov/bill/112th-congress/senate-bill/1940>

Sponsor

Name: Sen. Johnson, Tim [D-SD]

Party: Democratic • **State:** SD • **Chamber:** Senate

Cosponsors

No cosponsors are listed for this bill.

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Hearings By (subcommittee)	May 9, 2012

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

No related bills are listed.

Flood Insurance Reform and Modernization Act of 2011 - Amends the National Flood Insurance Act of 1968 (NFIA) to extend: (1) through FY2016 the authority of the Administrator of the Federal Emergency Management Agency (FEMA) to issue up to \$ 20.725 billion in debt obligations, with the President's approval, for the National Flood Insurance Program (Program); and (2) through FY2013 the authorization for the Program itself.

Requires the FEMA Administrator to make national flood insurance available for multifamily properties of more than four units.

Prohibits the Administrator from estimating risk premium rates for flood insurance for certain kinds of property.

Increases from 10% to 15% the annual limitation on risk premium rate increases for any properties within any single risk classification.

Instructs FEMA to issue final regulations establishing revised definitions of special flood hazard areas, including residual risk areas. Subjects such areas to mandatory flood insurance purchase requirements.

Requires states or areas where flood insurance must be made available to give satisfactory assurance that state-chartered lending institutions not insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA) shall be subject to state regulations consistent with the Flood Disaster Protection Act of 1973.

Amends the Flood Disaster Protection Act of 1973 to increase the civil monetary penalty for a single violation of the Act.

Revises the requirement that federal entities responsible for lending regulation require by regulation the payment of flood insurance premiums to a mortgage lender for deposit in an escrow account. Extends the same requirement to state entities responsible for lending regulations.

Requires any regulated lending institution, upon final payment of a mortgage, to notify the policyholder: (1) that insurance coverage may cease with such final payment, and (2) how flood insurance coverage may be continued after the life of the loan.

Prescribes minimum deductibles for claims under the Program for specified properties.

Requires flood insurance premium rates to be adequate, on the basis of accepted actuarial principles, to cover the average historical loss year obligations incurred by the National Flood Insurance Fund.

Directs the Administrator to establish in the Treasury a National Flood Insurance Reserve Fund.

Prohibits FEMA from denying payment of certain flood insurance claims by condominium owners who purchased such flood insurance separate and apart from the flood insurance purchased by the condominium association.

Establishes the Technical Mapping Advisory Council to recommend mapping standards and guidelines for flood insurance rate maps.

Allows appeals to the local government of any designation of an identified special flood hazard area, but only on the ground that such designation is scientifically or technically incorrect.

Requires the Administrator to make an independent Scientific Resolution Panel available to any community that has: (1) filed a timely map appeal and met other specified requirements, or (2) received an unsatisfactory ruling under the map revision process. Makes the Panel's determination binding and not subject to further judicial review.

Directs the Secretary of Homeland Security (DHS), the FEMA Administrator, the Director of the Office of Management and Budget (OMB), and the heads of specified federal agencies to: (1) coordinate and share data on flood risk determination and geospatial data; and (2) report to Congress an interagency budget crosscut and coordination report.

Directs the National Academy of Public Administration to study and report to Congress on how FEMA can: (1) improve interagency coordination on flood mapping, including a funding strategy to leverage and coordinate budgets and expenditures; and (2) establish joint funding mechanisms with other governmental agencies.

Amends the Real Estate Settlement Procedures Act of 1974 (RESPA) to require that certain public information booklets include the availability of federal flood insurance, regardless of whether the real estate is located in a special flood hazard area.

Directs the FEMA Administrator to collect additional adjuster estimates for both wind and flood damage with regard to claims payments by private sector companies authorized to participate in the Write Your Own (WYO) program.

(The WYO program, part of the National Flood Insurance Program, is a cooperative undertaking of the insurance industry and FEMA which allows participating property and casualty insurance companies to write and service the Standard Flood Insurance Policy in their own names. The companies receive an expense allowance for policies written and claims processed while the federal government retains responsibility for underwriting losses.)

Requires the Administrator to: (1) develop a methodology for determining amounts for reimbursing property and casualty insurance companies participating in the WYO program for selling, writing, and servicing flood insurance policies and adjusting claims; and (2) conduct a rulemaking proceeding to formulate revised reimbursements to WYO companies for their related expenses.

Revises requirements for mitigation assistance grants. Eliminates beach nourishment from eligible mitigation activities. Specifies other new eligible mitigation activities.

Directs the Administrator to consider demolition and rebuilding of properties to at least base flood elevation or greater as an eligible mitigation activity.

Directs the Administrator and the Secretary of the Army, acting through the Chief of Engineers, jointly to establish a Flood Protection Structure Accreditation Task Force.

Prohibits designation as a special flood hazard area, unless certain criteria are met, of any area or community participating in the National Flood Insurance Program that is: (1) or includes Community Identification Number 360467 and is impacted by the Jamaica Bay flooding source, or (2) Community Identification Number 360495.

Makes eligible for flood insurance any person residing in a community participating in the National Flood Insurance Program that has made adequate progress on the reconstruction or improvement of a flood protection system that will afford flood protection for a 100-year floodplain.

Requires the Comptroller General to report to Congress on: (1) expansion of the Program, (2) pre-FIRM structures receiving discounted premiums, and (3) a review of the three largest FEMA contractors used in administering the

Program.

(Pre-Flood Insurance Rate Map [pre-FIRM] structures are those that were neither constructed nor substantially improved after the later of December 31, 1974, or the effective date of the initial rate map published under NFIA for the area in which such a structure is located.)

Requires the Administrator to report to Congress a private market pricing assessment.

Authorizes the Administrator to secure reinsurance of flood insurance coverage from the private market, at rates and on terms that are reasonable and appropriate, in an amount sufficient to maintain the ability of the Program to pay claims.

Requires the Administrator to conduct annual assessments of the Program's ability to pay claims.

Directs the Comptroller General to make several studies of specified aspects of the Program.

Requires the Administrator to study methods to encourage and maintain participation in the Program.

Requires the National Academy of Sciences to submit to the Administrator an economic analysis of the costs and benefits to the federal government of a flood insurance program with full risk-based premiums, combined with means-tested federal assistance to aid individuals who cannot afford coverage, through an insurance voucher program.

Commission on Natural Catastrophe Risk Management and Insurance Act of 2011 - Establishes the Commission on Natural Catastrophe Risk Management and Insurance to assess the risks posed to the United States by natural catastrophes, and means for mitigating those risks and paying for losses caused by such catastrophes.

Actions Timeline

- **Jun 25, 2012:** Motion to proceed to measure considered in Senate. (consideration: CR S4434, S4446-4448)
- **Jun 25, 2012:** Motion to proceed to consideration of measure agreed to in Senate. (consideration: CR S4446)
- **Jun 25, 2012:** Measure laid before Senate by motion.
- **Jun 25, 2012:** Motion by Senator Reid to recommit to Senate Committee on Banking, Housing, and Urban Affairs with instructions to report back forthwith with the following amendment (SA 2473) made in Senate. (consideration: CR S4448)
- **Jun 21, 2012:** Motion to proceed to consideration of measure made in Senate. (consideration: CR S4379-4381, S4400-4409)
- **Jun 21, 2012:** Cloture on the motion to proceed to the measure invoked in Senate by Yea-Nay Vote. 96 - 2. Record Vote Number: 165. (consideration: CR S4400; text: CR S4400)
- **Jun 20, 2012:** Motion to proceed to consideration of measure made in Senate. (consideration: CR S4313-4314)
- **Jun 20, 2012:** Cloture motion on the motion to proceed to the measure presented in Senate. (consideration: CR S4313; text: CR S4313)
- **Jun 19, 2012:** Motion to proceed to consideration of measure made in Senate. (consideration: CR S4253-4266)
- **Jun 18, 2012:** Motion to proceed to consideration of measure made in Senate. (consideration: CR S4223-4226, S4230-4236)
- **Jun 14, 2012:** Motion to proceed to consideration of measure made in Senate. (consideration: CR S4163-4174, S4181-4199)
- **Jun 13, 2012:** Motion to proceed to consideration of measure made in Senate. (consideration: CR S4109-4124, S4127-4144; text: CR S4109)
- **Jun 13, 2012:** Motion to proceed to consideration of measure withdrawn in Senate. (consideration: CR S4124)
- **Jun 13, 2012:** Motion to proceed to consideration of measure made in Senate. (consideration: CR S4127)
- **Jun 12, 2012:** Motion to proceed to consideration of measure made in Senate. (consideration: CR S3964-3969)
- **May 9, 2012:** Committee on Banking, Housing, and Urban Affairs Subcommittee on Economic Policy. Hearings held. With printed Hearing: S.Hrg. 112-698.
- **Dec 5, 2011:** Introduced in Senate
- **Dec 5, 2011:** Committee on Banking, Housing, and Urban Affairs. Original measure reported to Senate by Senator Johnson SD. With written report No. 112-98.
- **Dec 5, 2011:** Placed on Senate Legislative Calendar under General Orders. Calendar No. 250.