

HR 2875

National Flood Insurance Program Administrative Reform Act of 2017

Congress: 115 (2017–2019, Ended)

Chamber: House

Policy Area: Finance and Financial Sector

Introduced: Jun 12, 2017

Current Status: Placed on the Union Calendar, Calendar No. 166.

Latest Action: Placed on the Union Calendar, Calendar No. 166. (Jul 18, 2017)

Official Text: <https://www.congress.gov/bill/115th-congress/house-bill/2875>

Sponsor

Name: Rep. Velazquez, Nydia M. [D-NY-7]

Party: Democratic • **State:** NY • **Chamber:** House

Cosponsors (4 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Maloney, Carolyn B. [D-NY-12]	D · NY		Jun 15, 2017
Rep. Meeks, Gregory W. [D-NY-5]	D · NY		Jun 15, 2017
Rep. Zeldin, Lee M. [R-NY-1]	R · NY		Jun 26, 2017
Rep. Slaughter, Louise McIntosh [D-NY-25]	D · NY		Jul 11, 2017

Committee Activity

Committee	Chamber	Activity	Date
Financial Services Committee	House	Reported By	Jul 18, 2017

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
115 HR 2874	Related bill	Nov 15, 2017: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

(This measure has not been amended since it was introduced. The summary has been expanded because action occurred on the measure.)

National Flood Insurance Program Administrative Reform Act of 2017

(Sec. 2) This bill amends the National Flood Insurance Act of 1968 to require the Federal Emergency Management Agency (FEMA) to make additional coverage of up to \$30,000 available under its existing Increased Cost of Compliance program, with optional coverage of up to \$60,000. Currently, FEMA may make available coverage to insure the cost of mitigating future flood damage to a structure insured by the National Flood Insurance Program (NFIP) that has been substantially or repetitively damaged by floods. The bill allows FEMA to require the property owner maintain continuous flood insurance coverage as a condition of providing cost of compliance coverage.

(Sec. 3) FEMA is directed to establish a pilot program for "Write Your Own" companies (companies that write and service federal standard flood insurance policies in their own name) to investigate preexisting structural conditions in properties that may result in a denial of a claim in the event of a flood loss under NFIP.

(Sec. 4) Fraud and false statements in connection with a flood insurance claim under NFIP are subject to civil enforcement, penalties, and suspension from the program. The bill directs FEMA to refer evidence of this activity to the Department of Justice.

(Sec. 5) FEMA is directed to revise the appeals process for policyholders seeking review of a flood insurance claim denial by their insurer. A decision shall be provided to the policyholder.

(Sec. 6) Claims under NFIP must be decided no later than 90 days after the claim is made. In extraordinary cases, the deadline may be extended by an additional 15 days.

(Sec. 7) This bill establishes FEMA's authority to oversee litigation conducted by Write Your Own companies regarding NFIP contracts, including expenses and litigation strategy. FEMA is authorized to substitute itself for a Write Your Own company in litigation.

(Sec. 8) FEMA may not hire in connection with NFIP any disbarred or suspended attorney.

(Sec. 9) FEMA must establish penalties for Write Your Own companies that knowingly underpay NFIP claims.

(Sec. 10) FEMA may rely upon technical assistance reports when adjusting claims made under NFIP only if the reports are final and meet applicable professional standards. Technical assistance reports must be made available to policyholders upon request when used in claim determinations.

(Sec. 11) Every policy issued under NFIP must include documents describing the type of loss covered, a summary of the costs of the policy, and an explanation of the policy's parameters.

(Sec. 12) FEMA is authorized to credit reserve funds to the National Flood Insurance Fund.

(Sec. 13) FEMA is directed to ensure sufficient staff for the Flood Insurance Advocate.

(Sec. 14) The bill establishes a Federal Flood Insurance Advisory Committee.

(Sec. 15) The bill directs federal lending regulation entities and FEMA to update interagency guidance regarding flood

insurance.

(Sec. 16) The bill directs the Government Accountability Office (GAO) to report on claims adjustment practices under NFIP.

(Sec. 17) The bill directs GAO to report on NFIP coverage of earth movement and subsidence caused by flooding.

Actions Timeline

- **Jul 18, 2017:** Reported by the Committee on Financial Services. H. Rept. 115-233.
- **Jul 18, 2017:** Placed on the Union Calendar, Calendar No. 166.
- **Jun 21, 2017:** Committee Consideration and Mark-up Session Held.
- **Jun 21, 2017:** Ordered to be Reported by the Yeas and Nays: 58 - 0.
- **Jun 12, 2017:** Introduced in House
- **Jun 12, 2017:** Referred to the House Committee on Financial Services.

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