

**AMENDMENT TO H.R. 5114**  
**[FLOOD INSURANCE REFORM PRIORITIES ACT OF**  
**2010]**  
**OFFERED BY Ms. WATERS OF CALIFORNIA**

Page 3, line 16, strike "\$500,000,000" and insert "\$598,000,000".

Page 9, line 3, strike "9-month period" and insert "3-year period".

Page 19, after line 23, insert the following new sections (and redesignate succeeding sections accordingly):

1 **SEC. 11. NOTIFICATION TO HOMEOWNERS REGARDING**  
2 **MANDATORY PURCHASE REQUIREMENT AP-**  
3 **PLICABILITY AND RATE PHASE-INS.**

4 Section 201 of the Flood Disaster Protection Act of  
5 1973 (42 U.S.C. 4105) is amended by adding at the end  
6 the following new subsection:

7 "(f) ANNUAL NOTIFICATION.—The Director, in con-  
8 sultation with affected communities, shall establish and  
9 carry out a plan to notify residents of areas having special  
10 flood hazards, on an annual basis—

11 "(1) that they reside in such an area;

1           “(2) of the geographical boundaries of such  
2 area;

3           “(3) of whether section 1308(h) of the National  
4 Flood Insurance Act of 1968 applies to properties  
5 within such area; and

6           “(4) of the provisions of section 102 requiring  
7 purchase of flood insurance coverage for properties  
8 located in such an area, including the date on which  
9 such provisions apply with respect to such area, tak-  
10 ing into consideration section 102(i); and

11           “(5) of a general estimate of what similar  
12 homeowners in similar areas typically pay for flood  
13 insurance coverage, taking into consideration section  
14 1308(g) of the National Flood Insurance Act of  
15 1968;”.

16 **SEC. 12. COVERAGE FOR ADDITIONAL LIVING EXPENSES**  
17 **AND BUSINESS INTERRUPTION.**

18           Subsection (b) of section 1306 of the National Flood  
19 Insurance Act of 1968 (42 U.S.C. 4013) is amended—

20           (1) in paragraph (4), by striking “and” at the  
21 end;

22           (2) in paragraph (5)—

23           (A) by inserting “pursuant to paragraph  
24 (2), (3), or (4)” after “any flood insurance cov-  
25 erage”; and

1 (B) by striking the period at the end and  
2 inserting a semicolon; and

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

5 “(6) in the case of any residential property,  
6 each renewal or new contract for flood insurance  
7 coverage shall provide not less than \$1,000 aggregate  
8 liability per dwelling unit for any necessary increases  
9 in living expenses incurred by the insured  
10 when losses from a flood make the residence unfit to  
11 live in, which coverage shall be available only at  
12 chargeable rates that are not less than the estimated  
13 premium rates for such coverage determined in accordance  
14 with section 1307(a)(1);

15 “(7) in the case of any residential property, optional  
16 coverage for additional living expenses described in paragraph (6) shall be made available to  
17 every insured upon renewal and every applicant in  
18 excess of the limits provided in paragraph (6) in  
19 such amounts and at such rates as the Director  
20 shall establish, except that such chargeable rates  
21 shall not be less than the estimated premium rates  
22 for such coverage determined in accordance with section  
23 1307(a)(1); and  
24

1           “(8) in the case of any commercial property or  
2 other residential property, including multifamily  
3 rental property, optional coverage for losses result-  
4 ing from any partial or total interruption of the in-  
5 sured’s business caused by damage to, or loss of,  
6 such property from a flood shall be made available  
7 to every insured upon renewal and every applicant,  
8 except that—

9           “(A) the Director may provide such cov-  
10 erage under such terms, conditions, and re-  
11 quirements as the Director considers appro-  
12 priate to meet the needs of small businesses  
13 while complying with the requirement under  
14 subparagraph (C); and

15           “(B) any such coverage shall be made  
16 available only at chargeable rates that are not  
17 less than the estimated premium rates for such  
18 coverage determined in accordance with section  
19 1307(a)(1).”.

Page 20, after line 13, insert the following new sec-  
tion (and redesignate the succeeding sections accord-  
ingly):

20 **SEC. 14. MINIMUM DEDUCTIBLES FOR CLAIMS.**

21 Section 1312 of the National Flood Insurance Act of  
22 1968 (42 U.S.C. 4019) is amended—

1 (1) by striking “The Director is” and inserting  
2 the following: “(a) IN GENERAL.—The Director is”;  
3 and

4 (2) by adding at the end the following:

5 “(b) MINIMUM ANNUAL DEDUCTIBLES.—

6 “(1) PRE-FIRM PROPERTIES.—For any struc-  
7 ture that is covered by flood insurance under this  
8 title, and on which construction or substantial im-  
9 provement occurred on or before December 31,  
10 1974, or before the effective date of an initial flood  
11 insurance rate map published by the Director under  
12 section 1360 for the area in which such structure is  
13 located, the minimum annual deductible for damage  
14 to or loss of such structure shall be—

15 “(A) \$1,500, if the flood insurance cov-  
16 erage for such structure covers loss of, or phys-  
17 ical damage to, such structure in an amount  
18 equal to or less than \$100,000; and

19 “(B) \$2,000, if the flood insurance cov-  
20 erage for such structure covers loss of, or phys-  
21 ical damage to, such structure in an amount  
22 greater than \$100,000.

23 “(2) POST-FIRM PROPERTIES.—For any struc-  
24 ture that is covered by flood insurance under this  
25 title, and on which construction or substantial im-

1       provement occurred after December 31, 1974, or  
2       after the effective date of an initial flood insurance  
3       rate map published by the Director under section  
4       1360 for the area in which such structure is located,  
5       the minimum annual deductible for damage to or  
6       loss of such structure shall be—

7               “(A) \$750, if the flood insurance coverage  
8       for such structure covers loss of, or physical  
9       damage to, such structure in an amount equal  
10      to or less than \$100,000; and

11              “(B) \$1,000, if the flood insurance cov-  
12      erage for such structure covers loss of, or phys-  
13      ical damage to, such structure in an amount  
14      greater than \$100,000.”.

Page 31, line 10, strike “and”.

Page 31, line 13, strike the period and insert “;  
and”.

Page 31, after line 13, insert the following:

15              “(D) assist communities and homeowners  
16      with interpreting, implementing, and appealing  
17      floodplain maps and floodplain map determina-  
18      tions.”.

Page 33, after line 12, insert the following new sec-  
tion (and redesignate succeeding sections accordingly):

1 **SEC. 22. ELIGIBILITY OF PROPERTY DEMOLITION AND RE-**  
2 **BUILDING UNDER FLOOD MITIGATION AS-**  
3 **SISTANCE PROGRAM.**

4 Section 1366(e)(5)(B) of the National Flood Insur-  
5 ance Act of 1968 (42 U.S.C. 4104e(e)(5)(B)) is amended  
6 by striking “or floodproofing” and inserting  
7 “floodproofing, or demolition and rebuilding”.

At the end of the bill, add the following new sec-  
tions:

8 **SEC. 26. STUDY ON REPAYING FLOOD INSURANCE DEBT.**

9 Not later than the expiration of the 6-month period  
10 beginning on the date of the enactment of this Act, the  
11 Administrator of the Federal Emergency Management  
12 Agency shall submit a report to the Congress setting forth  
13 a plan for repaying within 10 years all amounts, including  
14 any amounts previously borrowed but not yet repaid, owed  
15 pursuant to clause (2) of subsection (a) of section 1309  
16 of the National Flood Insurance Act of 1968 (42 U.S.C.  
17 4016(a)(2)).

18 **SEC. 27. STUDY REGARDING IMPACT OF RATE INCREASES**  
19 **ON PRE-FIRM PROPERTIES.**

20 (a) IN GENERAL.—The Comptroller General of the  
21 United States shall conduct a study to assess the impacts  
22 of implementing provisions regarding pre-FIRM prop-  
23 erties (as such term is defined in section 578(b) of the

1 National Flood Insurance Reform Act of 1994 (42 U.S.C.  
2 4014)), including the impact on the program participation  
3 rate among owners, renters, and tenants of non-primary  
4 residences or commercial nonresidential properties. In  
5 conducting the study, the Comptroller General shall ana-  
6 lyze the cost effectiveness and effect on local government  
7 tax base of various options, including an option of imple-  
8 menting such provisions on the severe repetitive loss prop-  
9 erties only.

10 (b) REPORT.—The Comptroller General shall submit  
11 a report to Congress regarding the results and conclusions  
12 of the study under subsection (a) not later than the expi-  
13 ration of the 9-month period beginning on the date of en-  
14 actment of this Act.

15 **SEC. 28. STUDY OF EFFECTS OF ACT.**

16 (a) STUDY.—The Administrator of the Federal  
17 Emergency Management Agency shall conduct a study to  
18 identify and assess the impacts, including short-term and  
19 long-term impacts, of this Act and the amendments made  
20 by this Act on the financial soundness of the national flood  
21 insurance program.

22 (b) REPORT.—Not later than 12 months after the  
23 date of the enactment of this Act, the Administrator shall  
24 submit a report to the Congress setting forth the results  
25 and conclusions of study under subsection (a), which shall



1 include specific recommendations for actions to mitigate  
2 against any negative financial impacts resulting from this  
3 Act and the amendments made by this Act that could in-  
4 crease the debt of the national flood insurance program.

5 **SEC. 29. RULEMAKING.**

6 (a) INTERIM FINAL RULE.—The Administrator of  
7 the Federal Emergency Management Agency shall issue  
8 an interim final rule as a temporary regulation imple-  
9 menting this Act and the amendments made by this Act  
10 as soon as practicable after the date of the enactment of  
11 this Act, without regard to the provisions of chapter 5 of  
12 title 5, United States Code. All regulations prescribed  
13 under the authority of this subsection that are not earlier  
14 superseded by final regulations shall expire not later than  
15 one year after the date of the enactment of this Act.

16 (b) INITIATION OF RULEMAKING.—The Adminis-  
17 trator of the Federal Emergency Management Agency  
18 may initiate a rulemaking to implement this Act and the  
19 amendments made by this Act as soon as practicable after  
20 the date of the enactment of this Act. The final rule issued  
21 pursuant to such rulemaking may supersede the interim  
22 final rule promulgated under subsection (a).

