

Changes to the text of H.R. 2874, as reported by Financial Services on June 15, 2017

In general:

Adds to H.R. 2874 the text of the following Committee-reported NFIP bills: H.R. 1422, H.R. 1558, H.R. 2246, H.R. 2565, H.R. 2868, and H.R. 2875.

Regarding annual rates (Section 102):

Institutes a phase-in for the scheduled annual minimum increase on Pre-FIRM primary residences to transition from 5 percent to 6.5 percent in 0.5 percent in annual steps.

Regarding multiple loss properties (Section 504):

- 1) Delays implementation of the phase-out of discounted rates for affected policies until at least two future floods after enactment.
- 2) For all policies, allows for prior floods to still count for purposes of getting priority FEMA mitigation grant benefits.
- 3) After two future floods, discounted policies will be subject to an annual 10 percent per year increase until rates match real risk.
- 4) After three future floods, discounted policies will be subject to an annual 15 percent per year increase until rates match real risk.
- 5) Requires FEMA to notice to affected policyholders what the effect of filing future claims would be and the availability of FEMA mitigation grant benefits.

Regarding excessive lifetime claims (Section 505):

- 1) Increases the triggering standard from twice the replacement value to three times the replacement value of the structure.
- 2) For purposes of calculating lifetime claims, clarifies that only payments made for future floods after enactment apply.

Regarding lowering future risks to the NFIP (Section 506):

- 1) Removes language that would have prohibited the NFIP from insuring newly constructed structures after 2021.
- 2) Removes language that would have prohibited the creation of new grandfathered rates for properties after 2021.

Regarding clarifications of existing law (Section 511):

Removes language regarding the definition of “knowingly.”

Regarding FEMA supervision of NFIP-related lawsuits (Section 604):

Removes language that would have allowed FEMA to substitute itself for a Write Your Own company in lawsuits regarding NFIP coverage.

Regarding the underpayment of claims:

Removes language regarding Write Your Own companies and the underpayment of claims.

Regarding the application of the Fair Labor Standards Act to claims adjusters (Section 610):

Includes language to create a limited exemption for claims adjusters following a major disaster or catastrophe.