

113TH CONGRESS
1ST SESSION

H. R. 3693

To clarify the application of the Biggert-Waters Flood Insurance Reform Act of 2012 to premium rates for certain properties, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 11, 2013

Mr. CASSIDY (for himself, Mr. BUCHANAN, Mr. HASTINGS of Florida, Mr. PALAZZO, Mr. SCALISE, Mr. ROGERS of Alabama, Mr. ROSS, Mr. JOHNSON of Ohio, Mr. NUGENT, Mr. MARINO, Ms. CASTOR of Florida, Ms. ROS-LEHTINEN, Mr. BILIRAKIS, Mr. CRENSHAW, and Mr. SOUTHERLAND) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To clarify the application of the Biggert-Waters Flood Insurance Reform Act of 2012 to premium rates for certain properties, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Flood Insurance Relief
5 and Transparency Act of 2013”.

1 **SEC. 2. DELAYED EFFECTIVE DATE FOR PREMIUM RATE IN-**
2 **CREASES FOR PROPERTIES SUBJECT TO MAP**
3 **REVISIONS OR UPDATES.**

4 (a) DELAY.—Notwithstanding any other provision of
5 law, any change in risk premium rates for flood insurance
6 under the National Flood Insurance Program otherwise
7 resulting from the amendment made by section 100207
8 of the Biggert-Waters Flood Insurance Reform Act of
9 2012 (Public Law 112–141; 126 Stat. 919) shall not take
10 effect until March 1, 2015.

11 (b) DISCLOSURE.—Not later than October 1, 2014,
12 the Administrator of the Federal Emergency Management
13 Agency shall make publicly available all data affecting any
14 changes in risk premium rates for flood insurance cov-
15 erage under the National Flood Insurance Program result-
16 ing from the amendment made by section 100207 of the
17 Biggert-Waters Flood Insurance Reform Act of 2012
18 (Public Law 112–141; 126 Stat. 919).

19 (c) EFFECTIVE DATE.—Subsection (a) shall take ef-
20 fect as if enacted as part of the Biggert-Waters Flood In-
21 surance Reform Act of 2012 (Public Law 112–141).

22 **SEC. 3. AFFORDABILITY STUDY FUNDING.**

23 Section 100236(d) of the Biggert-Waters Flood In-
24 surance Reform Act of 2012 (Public Law 112–141; 126
25 Stat. 957) is amended—

1 (1) by striking “there” and inserting “amounts
2 not otherwise obligated from the National Flood In-
3 surance Fund”; and

4 (2) by striking “from the National Flood Insur-
5 ance Fund, of amounts not otherwise obligated, not
6 more than \$750,000”.

7 **SEC. 4. MONTHLY INSTALLMENT PAYMENTS FOR PRE-**
8 **MIUMS.**

9 Section 1308 of the National Flood Insurance Act of
10 1968 (42 U.S.C. 4015) is amended by striking subsection
11 (g) and inserting the following new subsection:

12 “(g) **CONDITIONS FOR MONTHLY PAYMENTS.**—

13 “(1) **OPTION.**—Notwithstanding any other pro-
14 vision of law, with respect to any chargeable risk
15 premiums for flood insurance coverage under this
16 title, the Administrator shall provide policyholders
17 with the option of paying such premiums on an an-
18 nual or monthly basis.

19 “(2) **ELIGIBILITY.**—A policyholder of flood in-
20 surance coverage under this title shall be eligible to
21 make monthly payments of premiums only if all of
22 the following conditions are met:

23 “(A) The policyholder does not have the
24 option of escrowing premiums and fees for flood
25 insurance as provided in section 102(d) of the

1 Flood Disaster Protection Act of 1973 (42
2 U.S.C. 4012a(d)).

3 “(B) The policyholder agrees to permit
4 payment of the monthly premiums using elec-
5 tronic fund transfer or automatic withdrawals
6 from a checking account, savings account, or
7 credit card.

8 “(C) Upon a covered loss occurring and a
9 claim being presented, the remaining premium
10 owed for that policy term shall be deducted in
11 full from payments made for that loss.

12 “(D) The policyholder certifies that the
13 policyholder understands the payment terms
14 and consequences for nonpayment due to insuf-
15 ficient funds, as provided under this subsection.

16 “(3) MONTHLY PAYMENTS.—Upon the pur-
17 chase or renewal of flood insurance coverage and
18 paying the premium on a monthly basis, the policy-
19 holder shall pay no less than $\frac{1}{12}$ of the total annual
20 premium as the initial payment at time of applica-
21 tion or renewal, and then equal monthly payments
22 for the remaining 11 months of the policy, subject
23 to paragraph (2)(C).

24 “(4) ADDITIONAL PREMIUMS AND ADMINISTRA-
25 TIVE EXPENSES.—The Administrator shall charge

1 the policyholder an administrative fee to cover the
2 operating and administrative expenses to administer
3 monthly premium payments, and the Administrator
4 may factor into the premiums to be paid by policy-
5 holders an appropriate amount of premium to cover
6 any increased risk that may arise from allowing
7 monthly installment payments.

8 “(5) FAILURE TO MAKE A PAYMENT.—Upon
9 the purchase or renewal of a flood insurance policy,
10 the Administrator shall provide the policyholder with
11 a payment schedule identifying the date the pre-
12 mium will be collected through electronic fund trans-
13 fer or automatic withdrawals from a checking ac-
14 count, savings account, or credit card. If there are
15 insufficient funds to cover the monthly premium
16 payment due on the date specified in the schedule or
17 the required payment is otherwise not received—

18 “(A) coverage under the National Flood
19 Insurance Program will immediately end effec-
20 tive the following day at 12:01 a.m.; and

21 “(B) the policyholder will no longer be eli-
22 gible to make premium payments on a monthly
23 basis for an appropriate period, as identified by
24 the Administrator.

1 “(6) IMPLEMENTATION.—Notwithstanding sec-
2 tion 1306 (42 U.S.C. 4013), not later than the expi-
3 ration of the 1-year period beginning on the date of
4 enactment of this subsection, the Administrator may
5 issue an endorsement to the Residential and General
6 Standard Flood Insurance Policies to permit month-
7 ly payments, cancellation of coverage for non-pay-
8 ment, and any other terms necessary to implement
9 this subsection.”.

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