

**United States Senate Committee on Banking, Housing, and Urban Affairs
National Flood Insurance Program Reauthorization Act of 2017**

Section 1. Short title: National Flood Insurance Program Reauthorization Act of 2017.

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Section 3. Definitions.

Section 4. Extension of NFIP: Reauthorizes the National Flood Insurance Program for six years, through September 30, 2023.

Title I: Risk Mitigation

Section 101. Community Preparation for Repetitively Flooded Areas: Directs the Administrator to require communities participating in the NFIP and having at least 50 repetitive loss structures, five severe repetitive loss structures, or other qualifying properties to: (1) identify areas with, and assess on-going risks to, such repetitively-flooded structures, and (2) develop and implement a community-specific plan for mitigating these areas, with assistance from the Administrator, as needed. The Administrator is authorized to impose sanctions to non-compliant communities with due consideration of community-specific constraints (including resources available to the community) and with due notice. The Administrator is also required to submit a report to Congress on progress in implementing this section.

Section 102. Wildfires on Federal Lands: Adds “wildfires on federal lands” in the definition of “major disasters” under the Robert T. Stafford Disaster Relief and Emergency Assistance Act in the case of a Presidential declaration of a major disaster, subject to conditions. Funding from a Disaster Relief Fund (DRF) subaccount would be made available for transfer to the Department of Interior or the United States Department of Agriculture to conduct wildfire suppression operations.

Section 103. Increased Cost of Compliance (ICC): Increases the primary ICC coverage for a single property from \$30,000 to \$60,000 and directs the Administrator to impose an appropriate premium for such increase. In addition, it gives policyholders the option to purchase additional ICC coverage, bringing the maximum total coverage to \$100,000, as priced accordingly by the Administrator. Also expands ICC coverage to all NFIP policyholders whose communities have adopted land use and control measures and clarifies that ICC claims do not count against standard flood insurance policy limits.

Section 104. Predisaster Hazard Mitigation Program: Authorizes annual appropriations of \$200 million for the Predisaster Hazard Mitigation Program for the six fiscal years following the date of enactment.

Section 105. Flood Risk Disclosure: Requires the appropriate public body (states or localities) to impose a duty on sellers or lessors of real estate (for leases of at least 30 days) to disclose what they actually know about a property’s flood history and risk to purchasers or lessees. After September 30, 2022, no new NFIP insurance coverage may be provided for any real property unless the relevant public body has imposed such a duty.

Section 106. Multifamily Mitigation: Directs the Administrator to incorporate lower flood risk resulting from alternative mitigation techniques utilized on multifamily buildings in urban areas in the calculation of flood insurance premiums. Additionally, the Administrator is authorized to require states or other localities to develop land use and control measures related to multifamily buildings and to account for those land use and control measures in determining appropriate policy rates.

Section 107. Technical Assistance: Requires the Administrator to appoint a regional coordinator in each Regional Office to provide technical assistance to small communities to better enable them to participate in and receive benefits from the Community Rating System (CRS).

Title II: Flood Mapping Program Improvements

Section 201. National Flood Mapping Program: Continues existing authorization of \$400 million for the National Flood Mapping Program through 2023.

Section 202. Flood Mapping Improvements: Directs the Administrator to utilize the most up-to-date mapping technology and develop, in consultation with the Technical Mapping Advisory Council, a digital display environment to store and disseminate flood maps and hazard data. The Administrator must submit an annual progress report to the Senate Committee on Banking, Housing, and Urban Affairs and House Committee on Financial Services on the mapping program.

Title III: Program Improvements

Section 301. Replacement Cost: Directs the Administrator to incorporate replacement cost value into their calculation of premium rates, phased in over three years, with full implementation no later than four years after the enactment of this Act. To assist the Administrator in moving to the use of replacement cost value, the Administrator is also directed to evaluate industry best practices for risk rating and classification, identify appropriate methodology to incorporate replacement cost value into premium rate estimates and develop a feasible implementation plan. The Administrator is required to submit a report on their findings within one year to the Senate Committee on Banking, Housing, and Urban Affairs and House Committee on Financial Services.

Section 302. Risk Transfer: Clarifies that the Administrator may utilize risk transfer tools other than traditional reinsurance, including catastrophe bonds, collateralized reinsurance, resilience bonds, and other insurance-linked securities.

Section 303. Participation Studies: Directs the primary Federal banking regulators to annually study compliance with the mandatory purchase requirement in special flood hazard areas and FEMA to annually study NFIP participation in areas outside of special flood hazard areas.

Section 304. Additional Coverage for Business Interruption Study: Directs the Administrator to study the feasibility and soundness of offering business interruption coverage. The study must be completed no later than September 30th of the second full fiscal year following the date of enactment.