

109TH CONGRESS
2D SESSION

H. R. _____

To restore the financial solvency of the national flood insurance program,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M____ introduced the following bill; which was referred to the
Committee on _____

A BILL

To restore the financial solvency of the national flood
insurance program, 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 AND TABLE OF CONTENTS.**

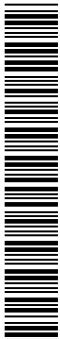
4 (a) SHORT TITLE.—This Act may be cited as the
5 “Flood Insurance Modernization and Reform Act of
6 2006”.

7 (b) TABLE OF CONTENTS.—The table of contents for
8 this Act is as follows:

Sec. 1. Short title and table of contents.

Sec. 2. Findings and purposes.

Sec. 3. Study regarding status of pre-FIRM properties and mandatory purchase requirement for natural 100-year floodplain and non-Federally related loans.



- Sec. 4. Phase-in of actuarial rates for nonresidential properties and non-primary residences.
- Sec. 5. Reduction of waiting period for effective date of policies.
- Sec. 6. Enforcement.
- Sec. 7. Maximum coverage limits.
- Sec. 8. Coverage for additional living expenses, basement improvements, business interruption, and replacement cost of contents.
- Sec. 9. Increase in annual limitation on premium increases.
- Sec. 10. Increase in borrowing authority.
- Sec. 11. FEMA reports on financial status of insurance program.
- Sec. 12. Extension of pilot program for mitigation of severe repetitive loss properties.
- Sec. 13. Notice of availability of flood insurance and escrow in RESPA good faith estimate.
- Sec. 14. Reiteration of FEMA responsibilities under 2004 Reform Act.
- Sec. 15. Updating of flood maps and elevation standards.
- Sec. 16. National levee inventory.
- Sec. 17. Clarification of replacement cost provisions, forms, and policy language.
- Sec. 18. Authorization of additional FEMA staff.

1 SEC. 2. FINDINGS AND PURPOSES.

2 (a) FINDINGS.—The Congress finds that—

3 (1) flooding has been shown to occur in all 50
4 States;

5 (2) the aggregate amount of the flood insurance
6 claims resulting from Hurricane Katrina, Hurricane
7 Rita, and other recent events has exceeded the ag-
8 gregate amount of all claims previously paid in the
9 history of the national flood insurance program, re-
10 quiring a significant increase in the program's bor-
11 rowing authority;

12 (3) flood insurance policyholders have a legiti-
13 mate expectation that they will receive fair and time-
14 ly compensation for losses covered under their poli-
15 cies;



1 (4) communities within the “natural 100-year
2 flood plain”—areas that, but for the presence of
3 man-made flood protections systems, would have a 1
4 in 100 chance of flooding in any given year—have
5 taken steps to mitigate flood risk but nevertheless
6 remain at risk of being overwhelmed by floods of
7 great magnitude;

8 (5) substantial flooding has occurred, and will
9 likely occur again, outside the areas designated by
10 the Federal Emergency Management Agency as
11 flood hazard areas;

12 (6) properties located in low- to moderate-risk
13 areas are eligible to purchase flood insurance policies
14 with premiums as low as \$112 a year;

15 (7) about 450,000 vacation homes, second
16 homes, and commercial properties are subsidized
17 and are not paying actuarially sound rates for flood
18 insurance;

19 (8) phasing out subsidies currently extended to
20 vacation homes, second homes, and commercial
21 properties would result in estimated average savings
22 to the taxpayers of the United States and the na-
23 tional flood insurance program of \$335,000,000
24 each year;



1 (9) the maximum coverage limits for flood in-
2 surance policies should be increased to reflect infla-
3 tion and the increased cost of housing;

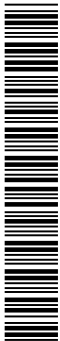
4 (10) significant reforms to the national flood in-
5 surance program required in the Bunning-Bereuter-
6 Blumenauer Flood Insurance Reform Act of 2004
7 have yet to be implemented; and

8 (11) in addition to reforms required in the
9 Bunning-Bereuter-Blumenauer Flood Insurance Re-
10 form Act of 2004, the national flood insurance pro-
11 gram requires a modernized and updated adminis-
12 trative model to ensure that the program is solvent
13 and the people of the United States have continued
14 access to flood insurance.

15 (b) PURPOSES.—The purposes of this Act are—

16 (1) to protect the integrity of the national flood
17 insurance program by fully funding existing legal ob-
18 ligations expected by existing policyholders who have
19 paid policy premiums in return for flood insurance
20 coverage;

21 (2) to increase incentives for homeowners and
22 communities to participate in the national flood in-
23 surance program and to improve oversight to ensure
24 full participation in the program for owners of prop-
25 erties for which such participation is mandatory;



1 (3) to reform the national flood insurance pro-
2 gram so that properties protected by dams and lev-
3 ees are covered by a flood insurance policy that is
4 priced according to flood risk; and

5 (4) to increase awareness of homeowners of
6 flood risks and improve the quality of information
7 regarding such risks provided to homeowners.

8 **SEC. 3. STUDY REGARDING STATUS OF PRE-FIRM PROP-**
9 **ERTIES AND MANDATORY PURCHASE RE-**
10 **QUIREMENT FOR NATURAL 100-YEAR FLOOD-**
11 **PLAIN AND NON-FEDERALLY RELATED**
12 **LOANS.**

13 (a) IN GENERAL.—The Comptroller General shall
14 conduct a study as follows:

15 (1) PRE-FIRM PROPERTIES.—The study shall
16 determine the status of the the national flood insur-
17 ance program, as of the date of the enactment of
18 this Act, with respect to the provision of flood insur-
19 ance coverage for pre-FIRM properties (as such
20 term is defined in section 578(b) of the National
21 Flood Insurance Reform Act of 1994 (42 U.S.C.
22 4014 note)), which shall include determinations of—

23 (A) the number of pre-FIRM properties
24 for which coverage is provided and the extent of
25 such coverage;



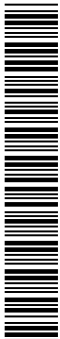
1 (B) the cost of providing coverage for such
2 pre-FIRM properties to the national flood in-
3 surance program;

4 (C) the anticipated rate at which such pre-
5 FIRM properties will cease to be covered under
6 the program; and

7 (D) the effects that implementation of the
8 Bunning-Bereuter-Blumenauer Flood Insurance
9 Reform Act of 2004 will have on the national
10 flood insurance program generally and on cov-
11 erage of pre-FIRM properties under the pro-
12 gram.

13 (2) MANDATORY PURCHASE REQUIREMENT FOR
14 NATURAL 100-YEAR FLOODPLAIN.—The study shall
15 assess the impact, effectiveness, and feasibility of
16 amending the provisions of the Flood Disaster Pro-
17 tection Act of 1973 regarding the properties that are
18 subject to the mandatory flood insurance coverage
19 purchase requirements under such Act to extend
20 such requirements to properties located in any area
21 that would be designated as an area having special
22 flood hazards but for the existence of a structural
23 flood protection system, and shall determine—

24 (A) the regulatory, financial and economic
25 impacts of extending such mandatory purchase

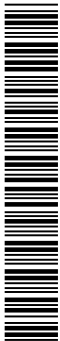


1 requirements on the costs of homeownership,
2 the actuarial soundness of the national flood in-
3 surance program, the Federal Emergency Man-
4 agement Agency, local communities, insurance
5 companies, and local land use;

6 (B) the effectiveness of extending such
7 mandatory purchase requirements in protecting
8 homeowners from financial loss and in pro-
9 tecting the financial soundness of the national
10 flood insurance program; and

11 (C) any impact on lenders of complying
12 with or enforcing such extended mandatory re-
13 quirements.

14 (3) MANDATORY PURCHASE REQUIREMENT FOR
15 NON-FEDERALLY RELATED LOANS.—The study shall
16 assess the impact, effectiveness, and feasibility of
17 amending the provisions of the Flood Disaster Pro-
18 tection Act of 1973 regarding the properties that are
19 subject to the mandatory flood insurance coverage
20 purchase requirements under such Act to extend
21 such requirements to any property that is located in
22 any area having special flood hazards and which se-
23 cures the repayment of a loan that is not described
24 in paragraph (1), (2), or (3) of section 102(b) of
25 such Act, and shall determine how best to admin-



1 ister and enforce such a requirement, taking into
2 consideration other insurance purchase requirements
3 under Federal and State law.

4 (b) REPORT.—The Comptroller General shall submit
5 a report to the Congress regarding the results and conclu-
6 sions of the study under this subsection not later than the
7 expiration of the 6-month period beginning on the date
8 of the enactment of this Act.

9 **SEC. 4. PHASE-IN OF ACTUARIAL RATES FOR NONRESIDEN-**
10 **TIAL PROPERTIES AND NON-PRIMARY RESI-**
11 **DENCES.**

12 (a) IN GENERAL.—Section 1308(c) of the National
13 Flood Insurance Act of 1968 (42 U.S.C. 4015(c)) is
14 amended—

15 (1) by redesignating paragraph (2) as para-
16 graph (4); and

17 (2) by inserting after paragraph (1) the fol-
18 lowing new paragraphs:

19 “(2) NONRESIDENTIAL PROPERTIES.—Any non-
20 residential property.

21 “(3) NON-PRIMARY RESIDENCES.—Any residen-
22 tial property that is not the primary residence of an
23 individual.”.



1 (b) TECHNICAL AMENDMENTS.—Section 1308 of the
2 National Flood Insurance Act of 1968 (42 U.S.C. 4015)
3 is amended—

4 (1) in subsection (c)—

5 (A) in the matter preceding paragraph (1),
6 by striking “Subject only to the limitations pro-
7 vided under paragraphs (1) and (2), the” and
8 inserting “The”; and

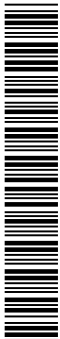
9 (B) in paragraph (1), by striking “, ex-
10 cept” and all that follows through “subsection
11 (e)”; and

12 (2) in subsection (e), by striking “paragraph
13 (2) or (3)” and inserting “paragraph (4)”.

14 (c) EFFECTIVE DATE AND TRANSITION.—

15 (1) EFFECTIVE DATE.—The amendments made
16 by subsections (a) and (b) shall apply beginning on
17 the publication by the Director of the Federal Emer-
18 gency Management Agency of the certification under
19 section 15(b)(2), except as provided in paragraph
20 (2) of this subsection.

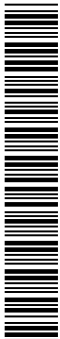
21 (2) TRANSITION.—In the case of any property
22 described in paragraph (2) or (3) of section 1308(c)
23 of the National Flood Insurance Act of 1968, as
24 amended by subsection (a) of this section, that, on
25 the date of the enactment of this Act, is covered



1 under a policy for flood insurance made available
2 under the national flood insurance program for
3 which the chargeable premium rates are less than
4 the applicable estimated risk premium rate under
5 section 1307(a)(1) for the area in which the prop-
6 erty is located, the Director of the Federal Emer-
7 gency Management Agency shall increase the
8 chargeable premium rates for such property over
9 time to such applicable estimated risk premium rate
10 under section 1307(a)(1). Such increase shall be
11 made by increasing the chargeable premium rates
12 for the property by 15 percent (or such lesser
13 amount as may be necessary so that the chargeable
14 rate does not exceed such applicable estimated risk
15 premium rate) once during the 12-month period that
16 begins upon the date of the enactment of this Act
17 and once every 12 months thereafter until such in-
18 crease is accomplished. The provisions of paragraphs
19 (2) and (3) of such section 1308(c) shall apply to
20 such a property upon the accomplishment of such in-
21 crease and thereafter.

22 **SEC. 5. REDUCTION OF WAITING PERIOD FOR EFFECTIVE**
23 **DATE OF POLICIES.**

24 Section 1306(c)(1) is amended by striking “30-day”
25 and inserting “15-day”.



1 **SEC. 6. ENFORCEMENT.**

2 Paragraph (5) of section 102(f) of the Flood Disaster
3 Protection Act of 1973 (42 U.S.C. 4012a) is amended—

4 (1) by striking “\$350” and inserting “\$2,000”;

5 and

6 (2) by striking the last sentence.

7 **SEC. 7. MAXIMUM COVERAGE LIMITS.**

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

10 (1) in paragraph (2), by striking “\$250,000”

11 and inserting “\$335,000”;

12 (2) in paragraph (3), by striking “\$100,000”

13 and inserting “\$135,000”; and

14 (3) in paragraph (4), by striking “\$500,000”

15 each place such term appears and inserting

16 “\$670,000”.

17 **SEC. 8. COVERAGE FOR ADDITIONAL LIVING EXPENSES,**

18 **BASEMENT IMPROVEMENTS, BUSINESS**

19 **INTERRUPTION, AND REPLACEMENT COST**

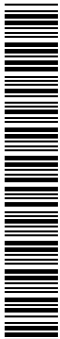
20 **OF CONTENTS.**

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

23 (1) in paragraph (4), by striking “and” at the

24 end;

25 (2) in paragraph (5)——



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

4 (B) by striking the period at the end and
5 inserting a semicolon; and

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

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

18 “(7) in the case of any residential property, op-
19 tional coverage for additional living expenses de-
20 scribed in paragraph (6) shall be made available to
21 every insured upon renewal and every applicant in
22 excess of the limits provided in paragraph (6) in
23 such amounts and at such rates as the Director
24 shall establish, except that such chargeable rates
25 shall not be less than the estimated premium rates

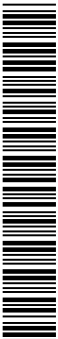


1 for such coverage determined in accordance with sec-
2 tion 1307(a)(1);

3 “(8) in the case of any residential property, op-
4 tional coverage for losses, resulting from floods, to
5 improvements and personal property located in base-
6 ments, crawl spaces, and other enclosed areas under
7 buildings that are not covered by primary flood in-
8 surance coverage under this title, shall be made
9 available to every insured upon renewal and every
10 applicant, except that such coverage shall be made
11 available only at chargeable rates that are not less
12 than the estimated premium rates for such coverage
13 determined in accordance with section 1307(a)(1);

14 “(9) in the case of any commercial property,
15 optional coverage for losses resulting from any par-
16 tial or total interruption of the insured’s business
17 caused by damage to, or loss of, such property from
18 a flood shall be made available to every insured upon
19 renewal and every applicant, except that—

20 “(A) for purposes of such coverage, losses
21 shall be determined based on the profits the
22 covered business would have earned, based on
23 previous financial records, had the flood not oc-
24 curred; and



1 “(B) such coverage shall be made available
2 only at chargeable rates that are not less than
3 the estimated premium rates for such coverage
4 determined in accordance with section
5 1307(a)(1); and

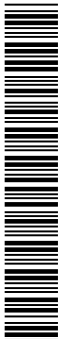
6 “(10) in the case of any residential property
7 and any commercial property, optional coverage for
8 the full replacement costs of any contents related to
9 the structure that exceed the limits of coverage oth-
10 erwise provided in this subsection shall be made
11 available to every insured upon renewal and every
12 applicant, except that such coverage shall be made
13 available only at chargeable rates that are not less
14 than the estimated premium rates for such coverage
15 determined in accordance with section 1307(a)(1).”.

16 **SEC. 9. INCREASE IN ANNUAL LIMITATION ON PREMIUM IN-**
17 **CREASES.**

18 Section 1308(e) of the National Flood Insurance Act
19 of 1968 (42 U.S.C. 4015(e)) is amended by striking “10
20 percent” and inserting “15 percent”.

21 **SEC. 10. INCREASE IN BORROWING AUTHORITY.**

22 (a) BORROWING AUTHORITY.—The first sentence of
23 subsection (a) of section 1309 of the National Flood In-
24 surance Act of 1968 (42 U.S.C. 4016(a)), as amended by
25 the National Flood Insurance Program Further Enhanced



1 Borrowing Authority Act of 2005 (Public Law 109–106;
2 119 Stat. 2288), is amended by striking
3 “\$18,500,000,000” and inserting “\$25,000,000,000”.

4 (b) FEMA REPORT.—Not later than the expiration
5 of the 6-month period beginning on the date of the enact-
6 ment of this Act, the Director of the Federal Emergency
7 Management Agency shall submit a report to the Congress
8 setting forth a plan for repaying any amounts borrowed
9 pursuant to increase in borrowing authority authorized
10 under the amendments made by subsection (a).

11 **SEC. 11. FEMA REPORTS ON FINANCIAL STATUS OF INSUR-**
12 **ANCE PROGRAM.**

13 Section 1320 of the National Flood Insurance Act of
14 1968 (42 U.S.C. 4027) is amended—

15 (1) in the section heading, by striking “RE-
16 PORT TO THE PRESIDENT” and inserting “RE-
17 PORTS”;

18 (2) in subsection (a), by striking “IN GEN-
19 ERAL” and inserting “BIENNIAL REPORT TO PRESI-
20 DENT” ; and

21 (3) by adding at the end the following new sub-
22 section:

23 “(c) SEMIANNUAL REPORTS TO CONGRESS ON FI-
24 NANCIAL STATUS.—Not later than June 30 and December
25 31 of each year, the Director shall submit a report to the



1 Congress regarding the financial status of the national
2 flood insurance program under this title. Each such report
3 shall describe the financial status of the National Flood
4 Insurance Fund and current and projected levels of
5 claims, premium receipts, expenses, and borrowing under
6 the program.”.

7 **SEC. 12. EXTENSION OF PILOT PROGRAM FOR MITIGATION**
8 **OF SEVERE REPETITIVE LOSS PROPERTIES.**

9 Section 1361A of the National Flood Insurance Act
10 of 1968 (42 U.S.C. 4102a) is amended as follows:

11 (1) FUNDING.—In subsection (k)(1), by strik-
12 ing “and 2009” and inserting “2009, 2010, and
13 2011”

14 (2) TERMINATION.—In subsection (l), by strik-
15 ing “September 30, 2009” and inserting “September
16 30, 2011”.

17 **SEC. 13. NOTICE OF AVAILABILITY OF FLOOD INSURANCE**
18 **AND ESCROW IN RESPA GOOD FAITH ESTI-**
19 **MATE.**

20 Subsection (c) of section 5 of the Real Estate Settle-
21 ment Procedures Act of 1974 (12 U.S.C. 2604(c)) is
22 amended by adding at the end the following new sentence:
23 “Each such good faith estimate shall include the following
24 conspicuous statements: (1) that flood insurance coverage
25 for residential real estate is generally available under the



1 National Flood Insurance Program whether or not the
2 real estate is located in an area having special flood haz-
3 ards and that, to obtain such coverage, a home owner or
4 purchaser should contact a property insurance agent,
5 broker, or company; and (2) that the escrowing of flood
6 insurance payments is required for many loans under sec-
7 tion 102(d) of the Flood Disaster Protection Act of 1973,
8 and may be a convenient and available option with respect
9 to other loans.”.

10 **SEC. 14. REITERATION OF FEMA RESPONSIBILITIES UNDER**
11 **2004 REFORM ACT.**

12 (a) APPEALS PROCESS.—As directed in section 205
13 of the Bunning-Bereuter-Blumenauer Flood Insurance
14 Reform Act of 2004 (42 U.S.C. 4011 note), the Director
15 of the Federal Emergency Management Agency is again
16 directed to, not later than 90 days after the date of the
17 enactment of this Act, establish an appeals process
18 through which holders of a flood insurance policy may ap-
19 peal the decisions, with respect to claims, proofs of loss,
20 and loss estimates relating to such flood insurance policy
21 as required by such section.

22 (b) MINIMUM TRAINING AND EDUCATION REQUIRE-
23 MENTS.—The Director of the Federal Emergency Man-
24 agement Agency is directed to continue to work with the
25 insurance industry, State insurance regulators, and other



1 interested parties to implement the minimum training and
2 education standards for all insurance agents who sell flood
3 insurance policies that were established by the Director
4 under the notice published September 1, 2005 (70 Fed.
5 Reg. 52117) pursuant to section 207 of the Bunning-Be-
6 reuter-Blumenauer Flood Insurance Reform Act of 2004
7 (42 U.S.C. 4011 note).

8 (c) REPORT.—Not later than the expiration of the 6-
9 month period beginning on the date of the enactment of
10 this Act, the Director of the Federal Emergency Manage-
11 ment Agency shall submit a report to the Congress de-
12 scribing the implementation of each provision of the
13 Bunning-Bereuter-Blumenauer Flood Insurance Reform
14 Act of 2004 (Public Law 108–264) and identifying each
15 regulation, order, notice, and other material issued by the
16 Director in implementing each such provision.

17 **SEC. 15. UPDATING OF FLOOD MAPS AND ELEVATION**
18 **STANDARDS.**

19 (a) FLOOD MAPPING PROGRAM.—Section 1360 of
20 the National Flood Insurance Act of 1968 (42 U.S.C.
21 4101) is amended by adding at the end the following new
22 subsection:

23 “(k) PROGRAM TO REVIEW, UPDATE, AND MAINTAIN
24 FLOOD INSURANCE PROGRAM MAPS.—



1 “(1) IN GENERAL.—The Director, in coordina-
2 tion with the Technical Mapping Advisory Council
3 established pursuant to section 576 of the National
4 Flood Insurance Reform Act of 1994 (42 U.S.C.
5 4101 note) and section 15(c) of the Flood Insurance
6 Modernization and Reform Act of 2006, shall estab-
7 lish a program under which the Director shall re-
8 view, update, and maintain national flood insurance
9 program rate maps in accordance with this sub-
10 section.

11 “(2) INCLUSIONS.—

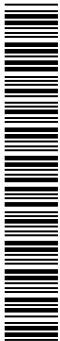
12 “(A) COVERED AREAS.—Each map up-
13 dated under this subsection shall include a de-
14 piction of—

15 “(i) the 500-year floodplain;

16 “(ii) areas that could be inundated as
17 a result of the failure of a levee, as deter-
18 mined by the Director; and

19 “(iii) areas that could be inundated as
20 a result of the failure of a dam, as identi-
21 fied under the National Dam Safety Pro-
22 gram Act (33 U.S.C. 467 et seq.).

23 “(B) OTHER INCLUSIONS.—In updating
24 maps under this subsection, the Director may
25 include—



1 “(i) any relevant information on
2 coastal inundation from—

3 “(I) an applicable inundation
4 map of the Corps of Engineers; and

5 “(II) data of the National Oce-
6 anic and Atmospheric Administration
7 relating to storm surge modeling;

8 “(ii) any relevant information of the
9 Geographical Service on stream flows, wa-
10 tershed characteristics, and topography
11 that is useful in the identification of flood
12 hazard areas, as determined by the Direc-
13 tor; and

14 “(iii) a description of any hazard that
15 might impact flooding, including, as deter-
16 mined by the Director—

17 “(I) land subsidence and coastal
18 erosion areas;

19 “(II) sediment flow areas;

20 “(III) mud flow areas;

21 “(IV) ice jam areas; and

22 “(V) areas on coasts and inland
23 that are subject to the failure of
24 structural protective works, such as
25 levees, dams, and floodwalls.



1 “(3) STANDARDS.—In updating and maintain-
2 ing maps under this subsection, the Director shall
3 establish standards to—

4 “(A) ensure that maps are adequate for—

5 “(i) flood risk determinations; and

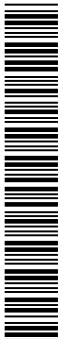
6 “(ii) use by State and local govern-
7 ments in managing development to reduce
8 the risk of flooding; and

9 “(B) facilitate the Director, in conjunction
10 with State and local governments, to identify
11 and use consistent methods of data collection
12 and analysis in developing maps for commu-
13 nities with similar flood risks, as determined by
14 the Director.

15 “(4) HURRICANES KATRINA AND RITA MAPPING
16 PRIORITY.—In updating and maintaining maps
17 under this subsection, the Director shall—

18 “(A) give priority to the updating and
19 maintenance of maps of coastal areas affected
20 by Hurricane Katrina or Hurricane Rita to pro-
21 vide guidance with respect to hurricane recovery
22 efforts; and

23 “(B) use the process of updating and
24 maintaining maps under subparagraph (A) as a



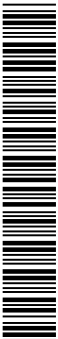
1 model for updating and maintaining other
2 maps.

3 “(5) ANNUAL REPORT.—Not later than June
4 30 of each year, the Director shall submit a report
5 to the Congress describing, for the preceding 12-
6 month period, the activities of the Director under
7 the program under this section and the reviews and
8 updates of flood insurance program rate maps con-
9 ducted under the program. Each such annual report
10 shall contain the most recent report of the Technical
11 Mapping Advisory Council pursuant to section
12 576(c)(3) of the National Flood Insurance Reform
13 Act of 1994 (42 U.S.C. 4101 note).

14 “(6) AUTHORIZATION OF APPROPRIATIONS.—
15 There is authorized to be appropriated to the Direc-
16 tor to carry out this subsection \$300,000,000 for
17 each of fiscal years 2007 through 2012.”.

18 (b) REVIEW AND UPDATING OF ALL FLOOD ZONES
19 AND ANNUAL MAP MODERNIZATION REPORTS.—

20 (1) REQUIRED REVISION.—In carrying out the
21 program under subsection (k) of section 1360 of the
22 National Flood Insurance Act of 1968 (as added by
23 subsection (a) of this section), the Director of the
24 Federal Emergency Management Agency shall, as
25 soon as possible after the date of the enactment of



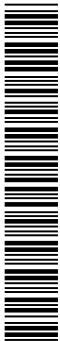
1 this Act, conduct a review of all floodplain areas and
2 flood-risk zones identified, delineated, or established
3 pursuant to such section 1360 and shall revise and
4 update all such areas and zones.

5 (2) CERTIFICATION OF COMPLETION.—Upon
6 completing the review, revision, and updating re-
7 quired under paragraph (1), the Director shall sub-
8 mit to the Congress a report certifying such comple-
9 tion.

10 (3) ANNUAL REPORTS.—During the period that
11 ends upon certification under paragraph (2) of this
12 subsection by the Director, the Director shall include
13 in the annual report required under section
14 1360(k)(5) of the National Flood Insurance Act of
15 1968 (as added by subsection (a) of this section) a
16 description of the extent to which the review and up-
17 dating required under paragraph (1) of this sub-
18 section has been completed.

19 (c) REESTABLISHMENT OF TECHNICAL MAPPING
20 ADVISORY COUNCIL.—

21 (1) REESTABLISHMENT.—There is reestab-
22 lished the Technical Mapping Advisory Council, in
23 accordance with this subsection and section 576 of
24 the National Flood Insurance Reform Act of 1994
25 (42 U.S.C. 4101 note).



1 (2) MEMBERSHIP.—Paragraph (1) of section
2 576(b) of the National Flood Insurance Reform Act
3 of 1994 (42 U.S.C. 4101 note) is amended——

4 (A) by redesignating subparagraphs (E),
5 (F), (G), (H), (I), and (J) as subparagraphs
6 (F), (G), (H), (K), (M), and (N), respectively;

7 (B) by inserting after subparagraph (D)
8 the following new subparagraph:

9 “(E) a representative of the Corps of Engi-
10 neers of the United States Army;”;

11 (C) by inserting after subparagraph (H)
12 (as so redesignated by subparagraph (A) of this
13 paragraph) the following new subparagraphs:

14 “(I) a representative of local or regional
15 flood and stormwater agencies;

16 “(J) a representative of State geographic
17 information coordinators;”; and

18 (D) by inserting after subparagraph (K)
19 (as so redesignated by subparagraph (A) of this
20 paragraph) the following new subparagraph:

21 “(L) a representative of flood insurance
22 servicing companies;”.

23 (3) APPOINTMENT.—The Director of the Fed-
24 eral Emergency Management Agency, or the Direc-
25 tor’s designee, shall take action as soon as possible



1 after the date of the enactment of this Act to ap-
2 point the members of the Technical Mapping Advi-
3 sory Council pursuant to section 576(b)(1) of the
4 National Flood Insurance Reform Act of 1994, as
5 amended by paragraph (2) of this subsection.

6 (4) DUTIES.—Subsection (c) of section 576 of
7 the National Flood Insurance Reform Act of 1994
8 (42 U.S.C. 4101 note) is amended to read as fol-
9 lows:

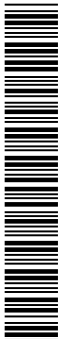
10 “(c) DUTIES.—The Council shall—

11 “(1) make recommendations to the Director for
12 improvements to the flood map modernization pro-
13 gram under section 1360(k) of the National Flood
14 Insurance Act of 1968 (42 U.S.C. 41010(k));

15 “(2) make recommendations to the Director for
16 maintaining a modernized inventory of flood hazard
17 maps and information; and

18 “(3) submit an annual report to the Director
19 that contains a description of the activities and rec-
20 ommendations of the Council.”.

21 (5) TERMINATION.—Subsection (k) of section
22 576 of the National Flood Insurance Reform Act of
23 1994 (42 U.S.C. 4101 note) is amended by striking
24 “under subsection (b)(1)” and inserting “pursuant
25 to subsection (b)(1) of this section and section



1 15(c)(3) of the Flood Insurance Modernization and
2 Reform Act of 2006”.

3 **SEC. 16. NATIONAL LEVEE INVENTORY.**

4 To identify levees for the national flood insurance
5 program, the Director of the Federal Emergency Manage-
6 ment Agency shall maintain and periodically publish an
7 inventory of levees in the United States, and shall consult
8 with the Secretary of the Army as necessary to maintain
9 such inventory.

10 **SEC. 17. CLARIFICATION OF REPLACEMENT COST PROVI-**
11 **SIONS, FORMS, AND POLICY LANGUAGE.**

12 Not later than the expiration of the 3-month period
13 beginning on the date of the enactment of this Act, the
14 Director of the Federal Emergency Management Agency
15 shall—

16 (1) issue regulations, and revise any materials
17 made available by such Agency, to clarify the appli-
18 cability of replacement cost coverage under the na-
19 tional flood insurance program;

20 (2) revise any regulations, forms, notices, guid-
21 ance, and publications relating to the full cost of re-
22 pair or replacement under the replacement cost cov-
23 erage to more clearly describe such coverage to flood
24 insurance policyholders and information to be pro-
25 vided by such policyholders relating to such cov-



1 erage, and to avoid providing misleading information
2 to such policyholders; and

3 (3) revise the language in standard flood insur-
4 ance policies under such program regarding rating
5 and coverage descriptions in a manner that is con-
6 sistent with language used widely in other home-
7 owners and property and casualty insurance policies,
8 including such language regarding classification of
9 buildings, basements, crawl spaces, detached ga-
10 rages, enclosures below elevated buildings, and re-
11 placement costs.

12 **SEC. 18. AUTHORIZATION OF ADDITIONAL FEMA STAFF.**

13 Notwithstanding any other provision of law, the Di-
14 rector of the Federal Emergency Management Agency
15 may employ such additional staff of such Agency as may
16 be necessary to carry out all of the responsibilities of the
17 Director pursuant to this Act and the amendments made
18 by this Act. There are authorized to be appropriated to
19 Director such sums as may be necessary for costs of em-
20 ploying such additional staff.

