

Key Measures to Consider in Senate Banking Committee NFIP Reauthorization Legislation (6/26/17)



Would like to see in committee bill:

- Support Equivalent policy fee on private policies (C-G)
- Retain existing language in Biggert-Waters Section 4012(a)(b)(7) that requires private flood policies to be “at least as broad as” NFIP policies, requires additional loss payee to be identified, etc.
- Explicit requirement that private policies for the purposes of meeting the mandatory purchase requirements can only be sold in NFIP participating communities.
- 5 year reauthorization (H)
- Remove HFIAA surcharges or re-apply to FMA (C-G) and ICC (C-G just says FMA, M says affordability too; neither says ICC)
- Increase coverage to \$500,000 residential; \$1m non-residential, multifamily
- Increase mapping authorization to \$500m (C-G) or \$800m (M)
- \$500 credit on premiums for EC (C-G and M)
- Replace Zone D with more precise flood zones in areas with flood control structures and to reflect partial credit for levees and to provide for residual risk rating (C-G and M)
- Mandatory purchase of flood insurance in residual risk areas
- \$0 / low interest (M) or state revolving loans for mitigation (R)
- Means tested premium support but only if it is funded outside of the NFIP, people know their true premium cost, and mitigation options have been evaluated and are not viable (means tested financial assistance if housing costs above 40% of income (C-G); 30% (M))
- ICC increase to \$75,000 (C-G) or \$100,000 (M) plus other M provisions for ICC
- Forgive debt
- Freeze interest payments on debt – use for mitigation and affordability (M)
- Repeatedly Flooded Communities Act provisions for community mitigation (H, S-S)
- Monthly premiums (already in law but FEMA hasn’t implemented) but with no fee (M, C-G, and H)
- Improved Landlord Tenant Disclosure (M)
- Nationwide flood disclosure requirement (H)
- Mitigation buyout pilot (bill #4 draft H bill but left out of final)
- Not allowing sale NFIP policy for certain repetitive loss properties that have refused an offer of mitigation (H)
- Additional \$1 billion for FMA and additional \$500 million funding for pre-disaster mitigation (M)
- Study on replacement value

DO NOT WANT TO SEE IN COMMITTEE BILL:

- Prohibition of NFIP policies for new construction; properties over \$1 million (H)
- 10% surcharge on NFIP policy if Insurance Commissioner certifies no private policies available (H)
- Opt-out of mandatory purchase requirement for commercial and multi-family(H)
- Requirement to increase amount of re-insurance purchase (H)
- Permitting community mapping using standards set by TMAC (H)
- \$50 fee for those electing monthly installment payments (H)
- 1% increase in assessment for reserve fund (H)
- \$50 additional surcharge for mapping (WH)
- Exclusion of catastrophic loss years from average historical loss year calculation (M)
- Provision allowing additional \$1billion authorization in FMA for large structural flood control projects (M)
- Affordability provision allowing states to opt for premium subsidy paid for through a surcharge on remaining policyholders within that state, establishing a new cross-subsidy (H)