

118TH CONGRESS
2D SESSION

S. 5199

To reauthorize the National Flood Insurance Program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 25, 2024

Mr. CASEY introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To reauthorize 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; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Fair Flood Protection Act of 2024”.

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

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.

TITLE I—REAUTHORIZATION AND STABILIZATION

Sec. 101. Reauthorization.

- Sec. 102. Forbearance on National Flood Insurance Program interest payments.
- Sec. 103. Elimination of Community Rating System.
- Sec. 104. Write Your Own Program reform.

TITLE II—RATE REPORTING AND POLICYHOLDER ASSISTANCE

- Sec. 201. Sense of Congress.
- Sec. 202. Premium transparency.
- Sec. 203. Flood Protection Affordability Program and Trust Fund.

TITLE III—FEE REDUCTION AND CONSOLIDATION

- Sec. 301. Reserve Fund assessment.
- Sec. 302. Flood Insurance Program Stability Fee.

TITLE IV—RESILIENCE

- Sec. 401. Levee project identification and development program.
- Sec. 402. Authorization of appropriations for the STORM Act.

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) ADMINISTRATOR.—The term “Adminis-
4 trator” means the Administrator of the Agency.

5 (2) AGENCY.—The term “Agency” means the
6 Federal Emergency Management Agency.

7 (3) COMMUNITY RATING SYSTEM.—The term
8 “Community Rating System” means the community
9 rating system program carried out under section
10 1315(b) of the National Flood Insurance Act of
11 1968 (42 U.S.C. 4022(b)).

12 (4) NATIONAL FLOOD INSURANCE PROGRAM.—
13 The term “National Flood Insurance Program”
14 means the program established under the National
15 Flood Insurance Act of 1968 (42 U.S.C. 4001 et
16 seq.).

1 (5) SMALL BUSINESS CONCERN.—The term
2 “small business concern” has the meaning given the
3 term in section 3 of the Small Business Act (15
4 U.S.C. 632).

5 (6) WRITE YOUR OWN COMPANY.—The term
6 “Write Your Own Company” means a private prop-
7 erty insurance company that participates in the
8 Write Your Own Program.

9 (7) WRITE YOUR OWN PROGRAM.—The term
10 “Write Your Own Program” means the program
11 under which the Federal Emergency Management
12 Agency enters into a standard arrangement with pri-
13 vate property insurance companies to—

14 (A) sell contracts for Federal flood insur-
15 ance under their own business lines of insur-
16 ance; and

17 (B) adjust and pay claims arising under
18 the contracts described in subparagraph (A).

19 **TITLE I—REAUTHORIZATION** 20 **AND STABILIZATION**

21 **SEC. 101. REAUTHORIZATION.**

22 (a) FINANCING.—Section 1309(a) of the National
23 Flood Insurance Act of 1968 (42 U.S.C. 4016(a)) is
24 amended by striking “September 30, 2023” and inserting
25 “September 30, 2034”.

1 (b) PROGRAM EXPIRATION.—Section 1319 of the Na-
2 tional Flood Insurance Act of 1968 (42 U.S.C. 4026) is
3 amended by striking “September 30, 2023” and inserting
4 “September 30, 2034”.

5 (c) RETROACTIVE EFFECTIVE DATE.—If this Act is
6 enacted after September 30, 2024, the amendments made
7 by subsections (a) and (b) shall take effect as if enacted
8 on September 30, 2024.

9 **SEC. 102. FORBEARANCE ON NATIONAL FLOOD INSURANCE**
10 **PROGRAM INTEREST PAYMENTS.**

11 (a) IN GENERAL.—During the 20-year period begin-
12 ning on the date of enactment of this Act, the Secretary
13 of the Treasury may not charge the Administrator interest
14 on amounts borrowed by the Administrator under section
15 1309(a) of the National Flood Insurance Act of 1968 (42
16 U.S.C. 4016(a)) that were outstanding as of the date of
17 enactment of this Act, including amounts borrowed after
18 the date of enactment of this Act that refinance debts that
19 existed before the date of enactment of this Act.

20 (b) USE OF FOREGONE INTEREST PAYMENTS.—
21 There shall be deposited into the National Flood Mitiga-
22 tion Fund established under section 1367 of the National
23 Flood Insurance Act of 1968 (42 U.S.C. 4104d) an
24 amount equal to the interest that would have accrued on
25 the borrowed amounts during the 20-year period described

1 in subsection (a) at the time at which those interest pay-
2 ments would have otherwise been paid, which, notwith-
3 standing any provision of such section 1367, the Adminis-
4 trator shall use to carry out the program established under
5 section 1366 of the National Flood Insurance Act of 1968
6 (42 U.S.C. 4104c).

7 (c) NO RETROACTIVE ACCRUAL.—After the 20-year
8 period described in subsection (a), the Secretary of the
9 Treasury shall not require the Administrator to repay any
10 interest that, but for that subsection, would have accrued
11 on the borrowed amounts described in that subsection dur-
12 ing that 20-year period.

13 **SEC. 103. ELIMINATION OF COMMUNITY RATING SYSTEM.**

14 (a) FINDINGS.—Congress finds the following:

15 (1) The Community Rating System, while well-
16 intentioned, has provided discounts to policyholders
17 that are not actuarially justified.

18 (2) The discounts described in paragraph (1)
19 have furthered the financial insolvency of the Na-
20 tional Flood Insurance Program.

21 (3) With the transition by the Agency towards
22 individualized premiums rather than community-
23 based premiums, the Community Rating System
24 should be phased out.

1 (b) PHASE-OUT.—Section 1315(b) of the National
 2 Flood Insurance Act of 1968 (42 U.S.C. 4022(b)) is
 3 amended by adding at the end the following:

4 “(4) PHASE-OUT.—Not earlier than 2 years
 5 and not later than 4 years after the date of enact-
 6 ment of this paragraph, the Administrator shall—

7 “(A) terminate the community rating sys-
 8 tem program established under paragraph (1);
 9 and

10 “(B) remove credits from the premium
 11 rates for policyholders within participating com-
 12 munities.”.

13 **SEC. 104. WRITE YOUR OWN PROGRAM REFORM.**

14 (a) IN GENERAL.—Not later than 1 year after the
 15 date of enactment of this Act, the Administrator shall—

16 (1) issue a proposed rule that caps the reim-
 17 bursement that the Agency pays to Write Your Own
 18 Companies—

19 (A) at not more than 25 percent of the ag-
 20 gregate premiums charged by the Write Your
 21 Own Company; and

22 (B) taking into account—

23 (i) the impact of the reimbursement
 24 rate on the overall solvency of the National
 25 Flood Insurance Program; and

1 (ii) reimbursement rates offered by
2 other Federal agencies for similar insur-
3 ance programs, including programs offered
4 by the Department of Health and Human
5 Services and the Department of Agri-
6 culture; and

7 (2) issue a proposed rule that caps the amount
8 that Write Your Own Company pays to an agent of
9 the company as a commission for flood insurance
10 premiums sold by the agent.

11 (b) FINAL RULES.—Not later than 18 months after
12 the date on which the Administrator issues a proposed rule
13 under subsection (a), the Administrator shall issue a final
14 rule for the proposed rule, which shall apply to all flood
15 insurance policies that are written or renewed on or after
16 the date that is 6 months after the date of publication
17 of the final rule.

18 (c) REASSESSMENT OF CAPS.—The Administrator
19 may reassess and modify the caps provided in the final
20 rules issued under subsection (b) through notice and com-
21 ment rulemaking procedures under section 553 of title 5,
22 United States Code.

1 **TITLE II—RATE REPORTING AND**
2 **POLICYHOLDER ASSISTANCE**

3 **SEC. 201. SENSE OF CONGRESS.**

4 It is the sense of Congress that—

5 (1) it is important to maximize participation in
6 the National Flood Insurance Program;

7 (2) in order to do so, Congress must ensure
8 that flood insurance is affordable for low-income
9 homeowners, older homeowners on fixed incomes,
10 and working families; and

11 (3) it is also important that the National Flood
12 Insurance Program continues to align its premiums
13 with actuarially sound rates to provide transparency,
14 increase public understanding of the true costs of
15 flood insurance and flood damage, and promote the
16 long-term financial solvency of the National Flood
17 Insurance Program.

18 **SEC. 202. PREMIUM TRANSPARENCY.**

19 (a) IN GENERAL.—The Administrator shall issue to
20 each policyholder under the National Flood Insurance
21 Program, in writing, an annual premium pricing report
22 with respect to the property of the policyholder, which
23 shall include—

1 (1) the full, risk-based premium for the prop-
2 erty, as identified under the Risk Rating 2.0 model
3 or any subsequent pricing model of the Agency;

4 (2) the applicable premium for the property, in-
5 clusive of subsidies and caps as determined by sec-
6 tion 1310A of the National Flood Insurance Act of
7 1968, as added by section 203 of this Act; and

8 (3) the anticipated premium for subsequent
9 years following the report, based on the applicable
10 pricing model of the Agency and annual limitations
11 on premium increases established under section
12 1308(e) of the National Flood Insurance Act of
13 1968 (42 U.S.C. 4015(e)).

14 (b) RENTER TRANSPARENCY.—If a policyholder
15 rents out a property for which coverage is provided
16 through the National Flood Insurance Program to ten-
17 ants, the policyholder shall provide a copy of the annual
18 premium pricing report for the property to the tenants
19 with the lease for the property.

20 **SEC. 203. FLOOD PROTECTION AFFORDABILITY PROGRAM**
21 **AND TRUST FUND.**

22 Chapter I of the National Flood Insurance Act of
23 1968 (42 U.S.C. 4011 et seq.), as amended by section 301
24 of this Act, is amended by inserting after section 1310
25 (42 U.S.C. 4017) the following:

1 **“SEC. 1310A. FLOOD PROTECTION AFFORDABILITY PRO-**
2 **GRAM AND TRUST FUND.**

3 “(a) ESTABLISHMENT OF PROGRAM.—Not later than
4 1 year after the date of enactment of this section, the Ad-
5 ministrator shall establish a program to ensure that poli-
6 cies under the national flood insurance program are af-
7 fordable by offering subsidized premiums using the for-
8 mula described in subsection (b).

9 “(b) RATE AFFORDABILITY.—The program estab-
10 lished under subsection (a) shall ensure that policyholders
11 under the national flood insurance program shall not pay
12 a premium that is, as a percentage of their household in-
13 come, higher than the percentage created by dividing their
14 annual household income by 41,000.

15 “(c) SUBSIDY.—If the premium for flood insurance
16 coverage under the national flood insurance program for
17 a property owned by a policyholder eligible for assistance
18 under subsection (b) is greater than the limit set by sub-
19 section (b), the Administrator shall subsidize the premium
20 using funds from the Flood Insurance Affordability Trust
21 Fund established under subsection (d) in the amount
22 equal to the difference between the stated premium and
23 the maximum amount chargeable under subsection (b).

24 “(d) FUND.—

1 “(1) IN GENERAL.—There is established within
2 the Department of the Treasury a fund, which shall
3 be—

4 “(A) known as the ‘Flood Insurance Af-
5 fordability Trust Fund’ (in this section referred
6 to as the ‘Fund’); and

7 “(B) administered by the Administrator.

8 “(2) SHORTFALL.—If amounts in the Fund are
9 insufficient to cover subsidies required under sub-
10 section (b), the Administrator is authorized to draw
11 such sums as may be necessary from the general
12 fund of the Treasury to provide those subsidies.

13 “(3) REPORT TO CONGRESS.—The Adminis-
14 trator shall submit to the Committee on Banking,
15 Housing, and Urban Affairs of the Senate, the Com-
16 mittee on Appropriations of the Senate, the Com-
17 mittee on Financial Services of the House of Rep-
18 resentatives, and the Committee on Appropriations
19 of the House of Representatives an annual report
20 detailing—

21 “(A) the amount paid out of the Fund
22 during the year preceding the date on which the
23 report is submitted;

24 “(B) the amount in the Fund as of the
25 date of the report;

1 “(C) the amount the Fund drew from the
2 general fund of the Treasury during the year
3 preceding the date on which the report is sub-
4 mitted;

5 “(D) the amount of appropriations that
6 the Administrator estimates the Fund will need
7 for the forthcoming year; and

8 “(E) other information as determined im-
9 portant by the Administrator.

10 “(4) AUTHORIZATION OF APPROPRIATIONS.—

11 There is authorized to be appropriated into the
12 Fund such sums as are necessary for each fiscal
13 year to provide the subsidies described in subsection
14 (e), as informed by the relevant report submitted
15 under paragraph (3).

16 “(e) RULE OF CONSTRUCTION.—Nothing in this sec-
17 tion shall be construed to affect the applicability of the
18 cap on the annual premium increase under section
19 1308(e).”.

20 **TITLE III—FEE REDUCTION AND**
21 **CONSOLIDATION**

22 **SEC. 301. RESERVE FUND ASSESSMENT.**

23 Chapter I of the National Flood Insurance Act of
24 1968 (42 U.S.C. 4011 et seq.) is amended—

1 (1) in section 1304(b) (42 U.S.C. 4011(b)), by
2 striking the flush matter following paragraph
3 (4)(D);

4 (2) in section 1307(a)(1)(B)(iii) (42 U.S.C.
5 4014(a)(1)(B)(iii)), by striking “which shall be re-
6 covered by a fee charged to policyholders and such
7 fee shall not be subject to any agents’ commissions,
8 company expense allowances, or State or local pre-
9 mium taxes”;

10 (3) in section 1308(m)(1) (42 U.S.C.
11 4015(m)(1)), in the matter preceding subparagraph
12 (A), by striking “and the surcharges required under
13 section 1308A”;

14 (4) by striking section 1308A (42 U.S.C.
15 4015a); and

16 (5) by striking section 1310A (42 U.S.C.
17 4017A).

18 **SEC. 302. FLOOD INSURANCE PROGRAM STABILITY FEE.**

19 (a) IMPOSITION AND COLLECTION.—The Adminis-
20 trator shall impose and collect a singular annual sur-
21 charge, which shall be referred to as the “Flood Insurance
22 Program Stability Fee”, in the amount provided in sub-
23 section (b), on all policies for flood insurance coverage
24 under the National Flood Insurance Program that are
25 newly issued or renewed after May 1, 2025.

1 (b) AMOUNT.—The amount of the surcharge under
2 subsection (a) shall be—

3 (1) except as provided in paragraph (2), 20 per-
4 cent of the annual premium inclusive of any subsidy
5 provided under section 1310A of the National Flood
6 Insurance Act of 1968, as added by section 203 of
7 this Act; and

8 (2) 30 percent of the annual post-subsidy pre-
9 mium, in the case of a policy for any property that
10 is—

11 (A) a non-residential property other than a
12 small business concern; and

13 (B) a residential property that is not the
14 primary residence of an individual.

15 (c) USE OF FUNDS.—Of amounts collected by the
16 Administrator under this section in a given fiscal year—

17 (1) not less than 50 percent shall be deposited
18 in the National Flood Insurance Fund established
19 under section 1310 of the National Flood Insurance
20 Act of 1968 (42 U.S.C. 4017); and

21 (2) not less than 30 percent shall be deposited
22 in the Flood Insurance Affordability Trust Fund es-
23 tablished under section 1310A of the National Flood
24 Insurance Act of 1968, as added by section 203 of
25 this Act.

TITLE IV—RESILIENCE

SEC. 401. LEVEE PROJECT IDENTIFICATION AND DEVELOPMENT PROGRAM.

(a) **IN GENERAL.**—Not later than 1 year after the date of enactment of this Act, the Administrator shall establish a program to identify and develop new levees and levee systems.

(b) **ELIGIBLE ENTITIES.**—To carry out the program established under subsection (a), the Administrator shall solicit applications from—

- (1) States or political subdivisions of States;
- (2) flood protection authorities;
- (3) federally recognized Indian Tribes; and
- (4) other public entities as determined by the Administrator.

(c) **SELECTION CRITERIA.**—The Administrator shall consider applications for assistance under the program established under subsection (a) using the following criteria:

- (1) An estimate of the valuation of property located behind the proposed levee or system of levees.
- (2) The history of severe weather and flooding events in the community and any projected changes due to climate change.

1 (3) The number of people and percentage of the
2 overall population in the community that is partici-
3 pating in the National Flood Insurance Program.

4 (4) The anticipated cost to construct and oper-
5 ate the levee or system of levees.

6 (5) Other considerations, as determined by the
7 Administrator.

8 (d) TECHNICAL ASSISTANCE.—The Administrator
9 shall provide technical assistance upon request to appli-
10 cants for the program established under subsection (a),
11 including by helping applicants to access data regarding
12 National Flood Insurance Program coverage in the rel-
13 evant area.

14 (e) SELECTED PROJECTS.—Upon the selection of ap-
15 plicants for participation in the program established under
16 subsection (a), the Administrator shall—

17 (1) provide technical assistance for applications
18 submitted to the Agency for funding, including as-
19 sistance with determining project scope, timeline,
20 cost, and other considerations as determined by the
21 Administrator;

22 (2) prioritize for funding through the hazard
23 mitigation grant program under section 404 of the
24 Robert T. Stafford Disaster Relief and Emergency
25 Assistance Act (42 U.S.C. 5170c), the Building Re-

1 resilient Infrastructure and Communities program au-
2 thorized under section 203 of the Robert T. Stafford
3 Disaster Relief and Emergency Assistance Act (42
4 U.S.C. 5133), and the Flood Mitigation Assistance
5 program authorized under section 1366 of the Na-
6 tional Flood Insurance Act of 1968 (42 U.S.C.
7 4104c), applications from selected applicants for
8 planning, engineering, design, or construction work
9 for the levee or system of levees described in the ap-
10 plication; and

11 (3) direct States and political subdivisions of
12 States to prioritize allocating funds from revolving
13 loan funds capitalized by the Safeguarding Tomor-
14 row Revolving Loan Fund, as established to carry
15 out section 205 of the Robert T. Stafford Disaster
16 Relief and Emergency Assistance Act (42 U.S.C.
17 5135), for projects for planning, engineering, design,
18 or construction work for levees or systems of levees
19 selected under this section.

20 (f) CONSULTATION.—In administering the Program,
21 the Administrator shall consult with—

22 (1) the U.S. Army Corps of Engineers;

23 (2) emergency management agencies from
24 States with a selected project; and

1 (3) other stakeholders, as determined by the
2 Administrator.

3 **SEC. 402. AUTHORIZATION OF APPROPRIATIONS FOR THE**
4 **STORM ACT.**

5 Section 205(n) of the Robert T. Stafford Disaster
6 Relief and Emergency Assistance Act (42 U.S.C. 5135)
7 is amended to read as follows:

8 “(n) AUTHORIZATION OF APPROPRIATIONS.—There
9 are authorized to be appropriated \$200,000,000 for each
10 of fiscal years 2025 through 2034 to carry out this sec-
11 tion.”.

○