II

117TH CONGRESS
2D SESSION

S. 3934

To permit policyholders under the National Flood Insurance Program to elect to have previous premium rates remain in effect until the Administrator of the Federal Emergency Management Agency satisfies certain conditions, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 28, 2022

Mrs. HYDE-SMITH (for herself, Mr. WICKER, Mr. CASSIDY, Mr. KENNEDY, and Mr. RUBIO) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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A BILL

To permit policyholders under the National Flood Insurance Program to elect to have previous premium rates remain in effect until the Administrator of the Federal Emergency Management Agency satisfies certain conditions, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Homeowner Flood Insurance Transparency and Protection Act".

SEC. 2. CHARGEABLE PREMIUM RATES.

(a) DEFINITIONS.—In this section—

(1) the term "Administrator" means the Administrator of the Federal Emergency Management Agency; and

(2) the term "National Flood Insurance Program" means the program established under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.).

(b) OPTION FOR POLICYHOLDERS.—

(1) IN GENERAL.—Notwithstanding section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015), a policyholder under the National Flood Insurance Program may elect to have the chargeable premium rate for the applicable property of the policyholder, as in effect on April 1, 2020, apply and remain in effect during the period beginning on the date of enactment of this Act and ending on the date on which the Administrator completes all of the actions described in subsection (c), without regard to the chargeable premium rate that is in effect for that property, as of the day before the date of enactment of this Act.

(2) NOTIFICATION REQUIREMENT.—The Administrator shall provide each policyholder under the National Flood Insurance Program a notification re-

garding the right of the policyholder under paragraph (1).

(c) REQUIRED ACTIONS.—The actions of the Administrator described in this subsection are as follows:

(1) Makes available to the public all data and methods used to prescribe chargeable premium rates for types and classes of properties for which insurance coverage is available under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.) (referred to in this subsection as ‘‘chargeable premium rates’’) under Risk Rating 2.0, or any substantially similar methodology.

(2) Creates an online database that is available to policyholders under the National Flood Insurance Program that provides each such policyholder with information regarding what the chargeable premium rate for the applicable property of the policyholder would be—

(A) under Risk Rating 2.0, or any substantially similar methodology; and

(B) assuming that the limitation under section 1308(e) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(e)) were not in effect.

(3) Completes and publishes a comprehensive assessment of the economic and social impacts of implementing Risk Rating 2.0 (or any substantially similar methodology) during the 20-year period beginning in the year in which the assessment is made, which shall include an evaluation of the effect that such implementation will have, during that 20-year period, on—

(A) the affordability and availability of flood insurance under the National Flood Insurance Program;

(B) property values; and

(C) non-Federal Government revenues.

(4) Supplements (and revises, as appropriate) the Record of Decision for the final nationwide programmatic environmental impact statement evaluating the environmental impacts of proposed modifications to the National Flood Insurance Program (83 Fed. Reg. 24328) to include the impacts of implementing Risk Rating 2.0, or any substantially similar methodology.

(5) Demonstrates that the data and methods used to prescribe chargeable premium rates under Risk Rating 2.0, or any substantially similar methodology, satisfy the requirements under section 515

of the Consolidated Appropriations Act, 2001 (Public Law 106–554; 114 Stat. 2763A–153), including that, in implementing that methodology, the Administrator ensures and maximizes the quality, objectivity, utility, and integrity of information disseminated by the Administrator.

(6) Conducts public notice and comment rulemaking under chapter 5 of title 5, United States Code, regarding Risk Rating 2.0, or any substantially similar methodology, which shall include the development of a fair, transparent, and streamlined process to manage—

(A) disputes over chargeable premium rates; and

(B) other factors with respect to the implementation of that methodology.

(7) For each county in the United States, publishes the distribution of chargeable premium rates showing the median, mean, lower and upper quartiles, maximum amount, and minimum amount of chargeable premium rates under each of the following:

(A) The method used to prescribe chargeable premium rates, as of September 30, 2021.

(B) The methodology projected to be used to prescribe chargeable premium rates, as of April 1, 2022, assuming that the limitations under section 1308(e) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(e)) are applied.

(C) The methodology described in subparagraph (B), assuming that the limitations described in that subparagraph are not applied.

(D) The methodology described in subparagraph (B), assuming that—

(i) the limitations described in that subparagraph are applied; and

(ii) the administrative costs of the National Flood Insurance Program are allocated on a uniform, per contract basis rather than as allocated under Risk Rating 2.0, or any substantially similar methodology.

(E) The methodology described in subparagraph (B), assuming that—

(i) the limitations described in that subparagraph are not applied; and

(ii) the administrative costs of the National Flood Insurance Program are allocated on a uniform, per contract basis rather than as allocated under Risk Rating 2.0, or any substantially similar methodology.

(8) Submits to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report detailing the satisfaction of the requirements under paragraphs (1) through (7).

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