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Flood Insurance Reform: Side-By-Side Comparison of H.R. 4973 and Senate Committee Bill

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Summary

In 1968, Congress established the National Flood Insurance Program (NFIP) as a response to mounting flood losses, escalating costs of disaster relief to the general taxpayers, and as an alternative to federal disaster assistance provided on an ad hoc basis. In the wake of Hurricanes Katrina, Rita, and Wilma in 2005, the NFIP faces unprecedented financial and regulatory strains. With another severe storm season predicted in 2006, the nation's attention has now focused on disaster impacts and costs, as well as both the strengths of the NFIP in managing and financing the nation's flood risk, and its weaknesses. Those concerned about program weaknesses cite the program's increasing need to borrow from the U.S. Treasury, premium rate cross-subsidies, outdated flood insurance rate maps, allegations of uneven compliance with mandatory purchase requirements, and the need to put the program on sounder financial footing.

Members of the 109th Congress are considering legislation — H.R. 4973, the Flood Insurance Reform and Modernization Act of 2006, and a comparable Senate bill that does not yet have a number — intended to enhance NFIP effectiveness of and limit taxpayer liability for claims.

This report provides a brief overview of the flood insurance reform issue and summarizes and provides a side-by-side comparison of H.R. 4973 and the comparable Senate Committee bill. This report will be updated as events warrant.

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Introduction

In 1968, after several decades of pursuing structural approaches, such as dams, levees, and channels to modify nature's flood hazard areas, Congress established a flood risk financing and land management strategy — the National Flood Insurance Program (NFIP) — with the passage of the National Flood Insurance Act.[1] The federal flood insurance program was established in response to mounting flood losses, escalating cost of disaster relief to the general taxpayers, and as an alternative to federal disaster assistance provided on an ad hoc basis.

Federal flood insurance is currently available to homeowners, renters, and businesses in 20,118 communities that participate in the NFIP to meet the cost of repairing damage to buildings and their contents caused by floods. Since 1978, the NFIP has grown from 1.4 million policyholders and $50 billion in risk exposure to almost 5 million policyholders and $900 billion in risk exposure.[2] Most disaster experts would agree that demands on the NFIP are not likely to decline, as weather-related disasters, particularly hurricanes, are said to be worsening in frequency and severity, population continues to grow in flood-prone areas, and property values continue to rise.

In the wake of Hurricanes Katrina, Rita, and Wilma in 2005, the NFIP faces unprecedented financial and regulatory strains. With another severe storm season predicted in 2006, the nation's attention has now focused on disaster impacts and costs, as well as both the strengths of the NFIP in managing and financing the nation's flood risk and its weaknesses. Those concerned about program weaknesses cite the increasing need to borrow from the U.S. Treasury, premium rate cross-subsidies, outdated flood insurance rate maps, allegations of uneven compliance with mandatory purchase requirements, and a need to put the program on sounder financial footing.

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[1] P.L. 90-448; 82 Stat. 573.

[2] FEMA uses 1978 as the starting date for collecting NFIP data. This was the year the program was transferred from the Department of Housing and Urban Affairs.

On March 23, 2006, the President signed into law S. 2275, the National Flood Insurance Program Enhanced Borrowing Authority Act of 2006,[3] to increase from $18.5 billion to $20.8 billion the amount that the Federal Emergency Management Agency (FEMA) can borrow from the U.S. Treasury to satisfy contractual obligations under the NFIP. Under current law, FEMA must repay any borrowed funds (with interest) as it collects premiums. Some insurance market experts believe FEMA is unlikely to repay the $23 billion borrowed from the Treasury within the next 10 years because they think premium collections over that period will probably be used to pay claims resulting from Hurricane Katrina and future flood insurance claims and expenses.[4]

The 109th Congress is considering additional legislation — H.R. 4973 and a comparable Senate bill that does not yet have a number — to modify the NFIP to make changes intended to enhance the effectiveness of the program while limiting taxpayer liability for claims.

Overview of H.R. 4973 and Senate Committee Bill

On April 6, 2006, the House Financial Services Committee reported H.R. 4973, the Flood Insurance Reform and Modernization Act, that would modify the NFIP by implementing changes to bring more consumers into the system and gradually reducing subsidies for properties built before flood Insurance Rate Maps (FIRMs) were developed. H.R. 4973 would increase the NFIP's borrowing authority from the U.S. Treasury from $18.5 billion to $25 billion, and increase the maximum flood insurance coverage for residential property, from $250,000 to $335,000 for any single-family dwelling; from $100,000 to $135,000 for contents per dwelling unit; and from $500,000 to $670,000 for structures and related contents of a nonresidential property. The proposed legislation includes provisions aimed at moving the program to actuarial rates for certain properties and modernizing the nation's flood maps. Under H.R. 4973, FEMA would be required to review the nation's flood maps, and for the first time, map the nation's 500-year flooplains. The bill would authorize $300 million to be appropriated for map modernization effort through fiscal years 2007 to 2012, and require FEMA to maintain and publish an inventory of U.S. levees.

H.R. 4973 would increase enforcement tools to be made available to bank regulators at both the federal and state levels. Lenders would face higher penalties for failing to enforce the NFIP's mandatory flood insurance purchase requirement. In addition, lenders would be required to notify borrowers as part of the Real Estate

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[3] P.L. 109-208.

[4] For more information on NFIP's Treasury borrowing, see CRS Report RS22394, *National Flood Insurance Program: Treasury Borrowing in the Aftermath of Hurricane Katrina*, by Rawle O. King.

Settlement Procedures Act requirements that flood insurance is available to all homeowners, and not just those in 100-year floodplains.[5]

H.R. 4973 would phase out premium subsidies, and create new categories of optional coverage, such as business interruption and additional living expenses. The bill would instruct FEMA to establish a decisions appeal process, implement specified minimum training and education standards for insurance agents selling flood insurance, and report to Congress regarding implementation of each provision of the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004,[6] and identify each regulation, order, notice, and other material issued by FEMA in implementing the act.

H.R. 4973 also would require the Government Accountability Office (GAO) to study coverage for so-called "pre-FIRM" structures built or substantially improved on or before December 31, 1974, or before the effective date of an initial flood insurance rate map (FIRM) for the area. GAO also would be required to study extending the mandatory purchase requirement to properties located in areas behind structural flood protection systems like dams or levees.

On May 25, 2006, the Senate Committee on Banking, Housing, and Urban Affairs approved in Executive Session the Flood Insurance Reform and Modernization Act of 2006. The legislation, which does not yet have a number, would:

- make the NFIP more actuarially sound by phasing out premium subsidies on vacation homes, businesses, and severe repetitive loss properties built before the introduction of flood insurance rate maps (FIRM) on or before December 31, 1974, or before the effective date of an initial FIRM for the area;

- address often outdated and inaccurate flood maps that are used to price insurance by requiring that FIRMs be updated to allow the program to transition to more accurate pricing of the insurance;

- establish a mandatory reserve fund to provide additional funding to pay claims during catastrophic loss years without further need to seek assistance from federal taxpayers;

- increase enforcement tools available to bank regulators at both the federal and state levels by requiring escrow of flood insurance premiums and increasing the civil monetary penalties regulators may levy against lenders who fail to comply with the program's mandatory purchase requirements, and, for the first time, require

[5] A growing number of Americans are exposed to flood risk due to unprecedented rains that threaten levees and dams. The areas behind structural flood control measures heretofore were not considered in the 100-year floodplain, so residents did not have to comply with the mandatory purchase requirement under the NFIP.

[6] PL 108-264; 118 Stat. 712.

state-regulated financial institutions (lenders) to maintain flood insurance coverage on all mortgages located within the 100-year floodplain;

- provide for a state-sponsored program of mediation of catastrophe-related insurance claims that may result in flood damage claims under the NFIP; and

- require GAO to conduct several studies (reports and audits) designed to give Members the information they will need to develop options for future changes to the program. (The 2004 authorization of the NFIP expires in 2007.)

Table 1. Side-by-Side Comparison of Flood Insurance Reform Legislation H.R. 4973 and Senator Committee Bill

Provision	H.R. 4973 [as placed on Union Calender, 4/6/06]	Senate Committee Bill [Approved on 5/25/06]
Sponsor	**Representative Baker**	**Senator Shelby**
Title	Flood Insurance Reform and Modernization Act of 2006	Same.
Purpose	Protects the integrity of the NFIP by fully funding existing legal obligations, increases incentives for program participation, and promotes property owner awareness of both flood risks and the quality of information regarding such risks.	No comparable provision.
Premium Rate Structure Reform	Requires phase-in of actuarial premium rates for non-residential properties and non-primary residences by increasing the chargeable premium rates 15% during the 12-month period after the Federal Emergency Management Agency (FEMA) certifies that it has completed its review of the nation's flood maps, and once every 12 months thereafter until such increase is accomplished.	Gradually phases out the current premium rate subsidies on several pre-Flood Insurance Rate map (pre-FIRM) properties as follows: (1) non-primary residences; (2) any severe repetitive loss property; (3) any property that has incurred flood-related damage in amounts exceeding the fair market value (FMV) of such property; (4) any business property; and (5) any property that has sustained substantial damage exceeding 50% of the FMV or substantial improvement exceeding 30% of its FMV. Provides for a 25% increase in premium rates per year during the phase-out period until the property is no longer subsidized under the program. Requires actuarial rates for newly issued policies or lapsed policies.
Limitations on Annual Premium Increases	Increases from 10% to 15% the overall maximum annual chargeable premium rate for flood insurance during any 12-month period .	Same.
Waiting Period for Effective Date of Policies	Waiting period for effective date of policies reduced from 30 to 15 days.	No comparable provision.
Maximum Coverage Limits	Increased coverage limits from $250,000 to $335,000 and $500,000 to $670,000 for residential and non-residential properties, respectively.	No comparable provision.

Provision	H.R. 4973 [as placed on Union Calender, 4/6/06]	Senate Committee Bill [Approved on 5/25/06]
Sponsor	**Representative Baker**	**Senator Shelby**
Coverage for Additional Living Expenses, Business Interruption, and Replacement Cost of Contents	Provides for payment of $1,000 per dwelling in additional living expenses following a flood loss when the residence is unfit to live in. Allows homeowners to purchase optional coverage for flood losses in basements, crawl spaces and other enclosed areas under buildings that are not covered by primary flood insurance. Provides optional business interruption coverage for commercial property. Losses are to be determined by the profits the covered business would have earned, and on previous financial records, had the flood not occurred. Provides optional coverage for the full replacement cost of any contents in the residential and commercial property. New benefits are made available only at time of renewal or issuance of a new contract, and only at actuarial rates.	No comparable provision.
Increase in Borrowing Authority Limits	Increases the National Flood Insurance Program (NFIP) Treasury borrowing authority from $18.5 billion to $25 billion.	No comparable provision.
Financing of Funds From Treasury	No comparable provision.	Authorizes the Secretary of the Treasury to provide funds to cover existing obligations of the NFIP for the 2005 hurricane season.
Borrowing Authority Debt Forgiveness	No comparable provision.	Requires the Secretary of the Treasury to completely eliminate any obligations owed to the Treasury by the NFIP for the 2005 hurricane season. Debt forgiveness takes effect only after the Director of FEMA certifies to the Treasury that all financial resources have been obligated to pay claims.
Repayment Plan for Borrowing Authority	Requires the Director of Federal Emergency Management Agency (FEMA) to submit a study to Congress within six months of enactment of the act, setting forth a plan for repaying borrowed funds.	Requires that anytime the NFIP uses its borrowing authority, it must submit a repayment plan to both the Secretary of the Treasury and to Congress.
Decrease in Borrowing Authority	No comparable provision.	Reduces the NFIP's borrowing authority from $18.5 billion to $1.5 billion.

Provision	H.R. 4973 [as placed on Union Calender, 4/6/06]	Senate Committee Bill [Approved on 5/25/06]
Sponsor	**Representative Baker**	**Senator Shelby**
Minimum Deductibles Levels for Claims	No comparable provision.	Sets minimum deductible level for claims at $2,000 for properties constructed before December 31, 1974 (pre-FIRM) and $1,000 for post-FIRM properties. All deductibles are at an annual basis, and once the deductible is met, no further deductible is required.
Civil Penalties for Lending Institutions	Civil penalties on lending institutions for violating the mandatory flood insurance purchase requirement increased from $350 to $2,000 per occurrence and the annual cap from $100,000 to $1,000,000. Adds that no penalties may be imposed on lenders who make good faith effort to comply with the requirements.	Civil penalties on lending institutions for violating the mandatory flood insurance purchase requirement increase from $350 to $2,000. Eliminates the annual cap.
State Disaster Claims Mediation Programs	Permits the insurance commissioner of a state to submit a request to the Director of FEMA to have agency participate (e.g., provide certified adjusters) in non-binding mediation of catastrophe-related insurance claims that may result in flood damage claims under the NFIP. Adjusters representing the NFIP shall coordinate their activities with state insurance regulators and representatives.	Does not explicitly use the term “adjusters”; instead, uses the term “Representatives of the Director” and specifies the qualifications of mediators as being members in good standing in the state which the mediation is to occur and the mediator has at least two years of practical experience. All statements made and documents produced in the mediation process shall be deemed privileged and confidential settlement negotiations made in anticipation of litigation.
Considerations in Determining Chargeable Premium Rates	No comparable provision.	Requires an examination of all years within the program including catastrophic loss years to determine the appropriate “average historical loss year.”

Provision	H.R. 4973 [as placed on Union Calender, 4/6/06]	Senate Committee Bill [Approved on 5/25/06]
Sponsor	**Representative Baker**	**Senator Shelby**
Reserve Funds	No comparable provision.	Creates a National Flood Insurance Reserve Fund ("Reserve Fund") in the Treasury that maintains 1% of the total potential loss exposure of all outstanding flood insurance policies in force within the program, or a higher percentage, as the Director determines to be appropriate. Establishes a mechanism in order to obtain the target 1% ratio within 10 years. In FY2007 the reserve ratio is 10%; in 2008 it is 20%, increasing 10% each year through 2015 when the reserve ratio is to be 90% . Director has discretion to both suspend the attainment of the required reserve ratio in any fiscal year or request additional appropriations from Congress if he/she determines an increase in the amount of aggregate annual insurance premiums to be collected for any fiscal year would adversely affect the financial condition of the Reserve Fund.
Extension of Pilot Program for Mitigation of Severe Repetitive Loss Properties	Extends the pilot program for mitigation of severe repetitive loss properties through September 30, 2011.	No comparable provision.
Notice of Flood Insurance Availability Under RESPA	Amends Section 5(b) of the Real Estate Settlement Procedures Act of 1974 (RESPA) to create a new notice provision to ensure that individuals who purchase land in areas of elevated flood risk (whether or not the property is located in a special flood hazard area) are made aware of the risk and given an opportunity to purchase flood insurance.	Same.
Escrow of Flood Insurance Payments	Amends Section 5(b) of the RESPA to add new statement in RESPA good faith estimate that the escrow of flood insurance payments is required for many loans under the 1973 act, and may be a convenient and available option with respect to other loans.	Requires that each federal entity for lending regulation, in consultation with the Federal Financial Institutions Examination Council, promulgate regulations to direct policyholders to pay flood insurance premiums directly to the mortgage lender for the duration of the loan when they make their monthly mortgage payments. The lender must place flood insurance payments into an escrow account on behalf of the borrower. After the mortgage loan has been paid, the lender must provide notice to the mortgagee that insurance coverage may cease with the final mortgage payment.

Provision	H.R. 4973 [as placed on Union Calender, 4/6/06]	Senate Committee Bill [Approved on 5/25/06]
Sponsor	**Representative Baker**	**Senator Shelby**
Technical Mapping Advisory Council	Reestablishes the Technical Mapping Advisory Council which will now include representatives from the Army Corps of Engineers, local and regional flood and stormwater agencies, state geographic information coordinators, and flood insurance servicing companies. Members of the Council, appointed by the Director of FEMA, will make recommendations to the director for improvements to the flood map modernization program, maintain an inventory of updated flood hazard maps and information, and submit an annual report to the director outlining their activities and recommendations.	Establishes an 11-member Technical Mapping Advisory Council. Members are appointed by the director and they will represent the following agencies or organizations: Under Secretary of Commerce for Oceans and Atmosphere, surveying and mapping professional association; professional engineering associations; flood hazard determination firms; United States Geologic Survey; Office of Management and Budget; state geologic survey programs; state national flood insurance coordination offices; Army Corps of Engineers; Secretary of the Interior; and, the Secretary of Agriculture. Duties of the council include making recommendations to the director on cost-effective way to improve the quality, ease of use, and distribution of flood insurance rate maps (FIRMs), developing mapping standards and guidelines for FIRMs, and submitting an annual report on the council's activities and recommendations to the director.
Updating Flood-Risk Zones	Requires the director to conduct, and certify after its completion, a review of all floodplain areas and flood-risk zones currently being used in the NFIP. A description of the review and updating process shall be included in the director's annual report to Congress.	Requires the director to issue final regulations establishing a revised definition of special flood hazards areas that now includes both areas previously identified as having special flood hazards, and areas of residual risk behind levees, dams, and other man-made structures.
Post-Disaster Advisory Flood Elevations	Allows the director to expedite the notification and publication procedures for a community to adopt post-disaster advisory flood elevations for local land use and control measures. All rights to submit information and to appeal the director's findings are preserved.	No comparable provision.

Provision	H.R. 4973 [as placed on Union Calender, 4/6/06]	Senate Committee Bill [Approved on 5/25/06]
Sponsor	**Representative Baker**	**Senator Shelby**
National Flood Mapping Program	Requires the director to establish a program under which he/she shall review, update, and maintain flood insurance rate maps. Each map shall include a depiction of the 500-year floodplain, as well as residual risk areas behind levees, dams, and floodwalls. Updated maps may also include relevant information on coastal inundation, stream flows, watershed characteristics, and topography provided by the Army Corps of Engineers and the National Oceanic and Atmospheric Administration (NOAA). Director shall: (1) establish standards to ensure the adequacy and consistency of maps and methods of data collection and analysis; (2) give priority to updating maps of coastal areas affected by Hurricanes Katrina and Rita in order to provide guidance with respect to hurricane recovery efforts; and (3) in consultation with the Technical Mapping Advisory Council, submit a report to Congress that describes the flood map modernization activities by June 30 of each year. Authorizes the appropriation of $300 million for fiscal years 2007 through 2012.	Requires the director, in coordination with the Technical Mapping Advisory Council, to establish a program to identify, review, update, maintain, and publish FIRMs in areas located within the 500-year floodplain and areas of residual risk behind levees, dams, and other man-made structures, as well as updating the existing flood-risk zones in the 100-year flooplain. Directs the NFIP to use the newest technology on hydrologic and hydraulic modeling, and the most accurate flood elevation data in creating and updating the flood maps. In updating and maintaining maps, the director shall establish standards to ensure that maps are adequate for flood risk determinations and used by state and local governments. Authorizes the appropriation of $400 million for each fiscal years 2007 through 2012.
Non-Mandatory Participation in 500-Year Floodplain	No comparable provision.	It is not mandatory for individuals who reside in the 500-year floodplain to obtain flood insurance. Both the director and federal/state entities for lending regulation, after consultation with the Federal Financial Institutions Examination Council, shall, by regulation, require regulated lending institutions to notify the purchaser and the servicer of the mortgage loan that such property is located in a 500-year flooplain. Mortgage lenders must also give notice to mortgagees that they reside within a 500-year floodplain. Civil penalties are provided for failure to comply with the notice requirements.

Provision	H.R. 4973 [as placed on Union Calender, 4/6/06]	Senate Committee Bill [Approved on 5/25/06]
Sponsor	**Representative Baker**	**Senator Shelby**
Reiteration of FEMA Responsibility Under 2004 Reform Act	Directs FEMA under the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 ("Reform Act of 2004") to: (1) establish an appeals process that policyholders can use to resolve decisions of the director relating to claims, proofs of loss, and loss estimates; and (2) continue to work with the insurance industry, state insurance regulators, and other interested parties to implement previously developed minimum training and education standards for insurance agents who sell flood insurance policies. Requires a report to Congress within six months describing FEMA's implementation of provisions in the Reform Act of 2004.	Directs FEMA to: (1) establish an appeals process through which policyholder may appeal the claims, proofs of loss, and loss estimates relating to NFIP claims decisions; (2) continue to work with the insurance industry, state insurance regulators, and other interested parties to implement previously developed minimum training and education standards for insurance agents who sell flood insurance policies. Requires the director to submit a report to Congress not later than three months after enactment of the act detailing the progress made towards implementing each provision of the Reform Act of 2004. Requires the director to submit a report to Congress every 30 days detailing the progress made on implementing the appeals process.
Removal of Limitations on State Contributions for updating flood maps	No comparable provision.	States are no longer prohibited from contributing more than 50% of their own funds to ensure that their maps are undated.
Testing New Flood-Proofing Technologies	No comparable provision.	Requires the NFIP to allow testing of any new type of flood proofing technology to determine if the new advancement complies with NFIP standards.
National Levee Inventory	Requires the Director, in consultation with the Secretary of the Army, to maintain and publish an inventory of levees in the United States.	No comparable provision.
Report on Financial Status of the Program	Requires FEMA to submit semiannual reports to Congress on the financial status of the program, including financial status of the National Flood Insurance Fund (NFIF) and current and projected levels of claims, premium receipts, expenses, and borrowing under the program.	Requires the director to submit annual reports to Congress on the operations, activities, budgets, receipts, and expenditures of the NFIP. Each report shall be submitted not later than three months following the end of each fiscal year.
Study of Pre-FIRM Properties	Requires the Government Accountability Office (GAO) to conduct study of the number and cost of pre-FIRM properties, the anticipated rate at which such properties will cease to be covered, and the effects of implementing the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 ("Reform Act of 2004") on coverage of pre-FIRM properties under the program.	Requires the Secretary of the Treasury to conduct a study and submit a report to Congress on the remaining pre-FIRM structures that are explicitly receiving discounted premium rates. The study must include the historical basis for the receipts of such subsidy and whether such subsidy has outlasted its purpose.

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Sponsor	**Representative Baker**	**Senator Shelby**
GAO Study on Write Your Own (WYO) Policies	No comparable provision.	Requires GAO to conduct a study and submit report to Congress on the fees and expenses paid to WYO insurers, NFIP contractors, and FEMA.
GAO Audit of NFIP Relating to Hurricane Katrina	No comparable provision.	Requires GAO to audit the financial transactions of the NFIP relating to Hurricane Katrina and other hurricanes of the 2005 season.
GAO Report on Expanding NFIP	No comparable provision.	Requires GAO to conduct a study and submit a report to Congress on the effects that expanding flood insurance beyond the current caps (coverage limits) might have on the private insurance market.
GAO Evaluation of the NFIP	No comparable provision.	Requires GAO to submit a report to Congress that analyzes whether the NFIP has fulfilled its purpose, unduly burdened or benefitted taxpayers, and makes recommendations for legislative or administrative action as may be necessary to ensure it operates in a more effective and efficient manner.
GAO Study on Direct Purchase in Non-Participating Communities	No comparable provision.	Requires GAO to study the effects of allowing individuals from non-participating communities to purchase flood insurance through the NFIP's direct program.
Extending Mandatory Purchase Requirement to Properties Located Behind Structural Flood Protection Systems	Requires GAO to study the regulatory, financial and economic impacts (i.e., costs of home-ownership, actuarial soundness of program, lender compliance), effectiveness and feasibility of amending the Flood Disaster Protection Act of 1973 to extend mandatory flood insurance coverage purchase requirements to properties located in areas that would have special flood hazards but for the existence of a structural protection system.	Requires the Director of FEMA to issue final regulations establishing a revised definition of special flood hazards areas that includes both areas previously identified as having special flood hazards and areas of residual risk behind levees, dams, and other man-made structures. Residual risk areas could be subject to the mandatory purchase requirements but only after the Director completes the mapping of all residual risk areas in the United States.
Extending Mandatory Purchase Requirement to Properties With Mortgages Issued By State-Chartered Lending Institutions	Requires a study of the impact, effectiveness, and basis under the Constitution of the United States for amending the Flood Disaster Protection Act of 1973 to extend NFIP's mandatory purchase requirements to properties in special flood hazard areas (SFHA) with mortgages issued by state-chartered lending institutions.	Requires that state-chartered lending institutions shall be subject to NFIP's mandatory flood insurance purchase requirement no later than December 31, 2008.

Provision	H.R. 4973 [as placed on Union Calender, 4/6/06]	Senate Committee Bill [Approved on 5/25/06]
Sponsor	**Representative Baker**	**Senator Shelby**
Premium Adjustment	No comparable provision.	Requires that after updating any flood insurance map the homeowner located on that map could request a premium rate adjustment to accurately reflect the current risk of flood to such property.
Replacement Cost Provision, Forms, and Policy Language	Requires the Director to: (1) issue regulations to clarify the applicability of replacement cost coverage under the NFIP; (2) revise any regulations, forms, notices, guidance, and publications to more clearly describe the meaning of full cost of repair or replacement under the replacement cost coverage; and (3) revise the language in flood insurance policies regarding rating and coverage, such as classification of buildings, basements, crawl spaces, detached garages, enclosures below elevated buildings, and replacement cost, to make it consistent with language used widely in homeowners policies.	No comparable provision.
Authorization for Staff Funding	Authorizes to be appropriated such sums as may be necessary to hire additional staff to carry out the responsibilities of the director pursuant to this act.	No comparable provision.

Source: The Congressional Research Service.