



*Office of Congressman John Garamendi*

# **Flood Insurance For Farmers Act of 2012**

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## Letter from Congressman John Garamendi to Stakeholders

February 14, 2012

Dear Stakeholder,

Many farmers in my Delta community have asked me to help them with a serious problem. As the Federal Emergency Management Agency (FEMA) continues its studies of the levee systems that protect agricultural land in the Central Valley, many of the levees have been downgraded.

Until the levees are improved, farmers in many places are unable to build new or upgrade existing agricultural structures necessary to conduct or increase production and business.

The *Flood Insurance for Farmers Act* would allow farmers to continue to farm, build necessary agricultural structures and provide a solid economic base for their regions.

The bill would also allow farmers to obtain subsidized flood insurance on existing and new agricultural structures in these zones. Furthermore, the legislation would establish a task force to conduct a study on legacy community flood insurance issues nationwide.

I look forward to working with you to see this important piece of legislation become law.

Sincerely,



JOHN GARAMENDI  
Member of Congress

.....  
(Original Signature of Member)

112TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

To amend the National Flood Insurance Act of 1968 to allow the construction and improvement of structures used for agricultural production in floodplains, and for other purposes.

\_\_\_\_\_  
IN THE HOUSE OF REPRESENTATIVES

Mr. GARAMENDI introduced the following bill; which was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To amend the National Flood Insurance Act of 1968 to allow the construction and improvement of structures used for agricultural production in floodplains, 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.**

4 This Act may be cited as the “Flood Insurance for  
5 Farmers Act of 2012”.

1 **SEC. 2. FLOODPLAIN MANAGEMENT CRITERIA.**

2 (a) IN GENERAL.—Section 1361 of the National  
3 Flood Insurance Act of 1968 (42 U.S.C. 4102) is amended  
4 by adding at the end the following new subsection:

5 “(d) TREATMENT OF CERTAIN STRUCTURES AND  
6 AREAS.—

7 “(1) REQUIREMENTS.—After the date of the  
8 enactment of this subsection, the comprehensive cri-  
9 teria for land management and use established pur-  
10 suant to this section shall provide as follows:

11 “(A) TREATMENT OF CERTAIN AGRICUL-  
12 TURAL STRUCTURES.—Such criteria may not  
13 prohibit, limit, restrict, or condition, including  
14 requiring any floodproofing or flood damage  
15 mitigation activities or features with respect to,  
16 the new construction or substantial improve-  
17 ment of any agricultural structure in any area  
18 identified by the Director as having special  
19 flood hazards, except to the extent provided in  
20 section 1315(a)(2) and subject to subpara-  
21 graphs (B) and (C) of this paragraph.

22 “(B) TREATMENT OF STRUCTURES IN  
23 CERTAIN AREAS PROTECTED BY LEVEES.—Such  
24 criteria, with respect only to structures in a  
25 covered levee-protected area—

1           “(i) may not prohibit, limit, restrict,  
2           or condition, including requiring any  
3           floodproofing or flood damage mitigation  
4           activities or features with respect to, the  
5           new construction or substantial improve-  
6           ment of any agricultural structure; and

7           “(ii) shall provide that any substantial  
8           improvement made to an existing residen-  
9           tial structure shall have the lowest floor  
10          (including any basement) elevated to or  
11          above the base flood level, except that for  
12          purposes of determining whether any im-  
13          provement of residential structures in such  
14          an area is substantial or not, the term  
15          ‘substantial damage’ shall mean, for any  
16          damage caused other than by a flood  
17          event, damage for which the cost of restor-  
18          ing the structure to its before-damaged  
19          condition would equal or exceed 100 per-  
20          cent of the market value of the structure  
21          before the damage occurred.

22          “(C) TREATMENT OF EXISTING STRUC-  
23          TURES IN LEGACY COMMUNITIES PROTECTED  
24          BY LEVEES.—Such criteria shall provide that a  
25          legacy community located in a covered levee-

1           protected area may adopt adequate land use  
2           and control measures that provide for the re-  
3           pair, restoration to pre-damaged conditions, or  
4           replacement of existing residential and non-resi-  
5           dential structures other than repetitive loss  
6           structures (as such term is defined in section  
7           1370).

8           “(2) DEFINITIONS.—For purposes of this sub-  
9           section, the following definitions shall apply:

10           “(A) AGRICULTURAL STRUCTURE.—The  
11           term ‘agricultural structure’ has the meaning  
12           given such term in section 1315(a)(2)(D).

13           “(B) COVERED LEVEE-PROTECTED  
14           AREA.—The term ‘covered levee-protected area’  
15           means any area that is protected by a levee that  
16           is not accredited by the Administrator, but pro-  
17           vides protection with at least 1 foot of  
18           freeboard above the water surface elevation of  
19           the base flood for such area.

20           “(C) LEGACY COMMUNITY.—The term ‘leg-  
21           acy community’ means a community that—

22           “(i) has a population of less than  
23           2,000; and

24           “(ii) is located in an area for which a  
25           substantial portion of the economy, cur-

1                   rently is and historically was, based on ag-  
2                   ricultural production, as determined by the  
3                   Administrator.”.

4           (b) EXCEPTION TO EXISTING REQUIREMENTS FOR  
5 AGRICULTURAL STRUCTURES.—Section 1315(a)(2) of the  
6 National Flood Insurance Act of 1968 (42 U.S.C.  
7 4022(a)) is amended—

8                   (1) in subparagraph (A), by striking “Notwith-  
9                   standing” and inserting “Subject to subparagraphs  
10                  (B) and (C) of section 1361(d)(1) and notwith-  
11                  standing”; and

12                  (2) in subparagraph (B), by striking “To” and  
13                  inserting “Subject to subparagraphs (B) and (C) of  
14                  section 1361(d)(1) and to”.

15 **SEC. 3. AVAILABILITY OF FLOOD INSURANCE COVERAGE**  
16 **AND CHARGEABLE RATES.**

17           Section 1308 of the National Flood Insurance Act of  
18 1968 (42 U.S.C. 4015) is amended—

19                   (1) in subsection (e), in the matter preceding  
20                   paragraph (1), by inserting “of this subsection and  
21                   to subsections (g) and (h)” before the comma; and

22                   (2) by adding at the end the following new sub-  
23                   section:

24                   “(g) NEW CONSTRUCTION AND SUBSTANTIAL IM-  
25                   PROVEMENT OF AGRICULTURAL STRUCTURES IN FLOOD



1 HAZARD AREAS.—Subject to section 1315(a)(2)(B) and  
2 subsection (h) of this section, and notwithstanding any  
3 other provision of this Act, the Director shall make flood  
4 insurance coverage available upon request for any agricul-  
5 tural structure described in section 1361(d)(1)(A) that is  
6 located in any area identified by the Director as having  
7 special flood hazards. Such coverage shall be made avail-  
8 able at chargeable premium rates that are based on esti-  
9 mated rates under section 1307(a)(2) and are consistent  
10 with the provisions of section 1308((b)(2) applicable to  
11 such rates.

12 “(h) STRUCTURES IN COVERED LEVEE-PROTECTED  
13 AREAS.—The Director shall make flood insurance cov-  
14 erage available upon request for any structure that is lo-  
15 cated in an area described in subparagraph (B) or (C)  
16 of section 1361(d)(1) and is constructed, improved, re-  
17 paired, restored, or replaced as described in such subpara-  
18 graph, as applicable. Such coverage shall be made avail-  
19 able at chargeable premium rates applicable to areas hav-  
20 ing a low or moderate risk of flooding (zone X ).”.

21 **SEC. 4. TASK FORCE ON LEGACY COMMUNITY FLOOD IN-**  
22 **SURANCE ISSUES.**

23 (a) ESTABLISHMENT; STUDY.—The Administrator of  
24 the Federal Emergency Management Agency and the Sec-  
25 retary of Agriculture shall jointly establish a task force

1 that shall conduct a study to analyze the challenges faced  
2 by legacy communities located in areas designated as an  
3 area having special flood hazards for purposes of the na-  
4 tional flood insurance program under the National Flood  
5 Insurance Act of 1968 (42 U.S.C. 4001 et seq.).

6 (b) MEMBERSHIP.— The task force shall consist of  
7 15 members, appointed jointly by the Administrator of the  
8 Federal Emergency Management Agency and the Sec-  
9 retary of Agriculture, as follows:

10 (1) One individual who is a representative of a  
11 national farm organization.

12 (2) One individual who is a representative of a  
13 national financial organization.

14 (3) One individual who is a representative of a  
15 national floodplain management organization.

16 (4) One individual who is a representative of a  
17 national organization of flood and stormwater man-  
18 agement agencies.

19 (5) One individual who is a representative of a  
20 national agricultural commodities organization.

21 (6) Two individuals, each of whom is a rep-  
22 resentative of a State affected by the issues specified  
23 in subsection (a).

1           (7) Three individuals, who shall include one  
2           representative each of the flood control associations  
3           for—

4                   (A) the Central Valley of California;

5                   (B) the Mississippi Valley; and

6                   (C) the Missouri Valley.

7           (8) Two individuals who are elected officials of  
8           units of general local governments who represent  
9           legacy communities .

10           (9) Three individuals who have an interest or  
11           expertise in the issues specified in subsection (a).

12           (c) CO-CHAIRS.— The Administrator of the Federal  
13           Emergency Management Agency and the Secretary of Ag-  
14           riculture shall serve as co-chairs of the task force, or their  
15           designees.

16           (d) TRAVEL EXPENSES; PER DIEM.—Members of the  
17           task force members shall not receive compensation for  
18           their service on the task force, but shall receive travel ex-  
19           penses, including per diem in lieu of subsistence, in ac-  
20           cordance with sections 5702 and 5703 of title 5, United  
21           States Code.

22           (e) STAFF.—The Administrator of the Federal Emer-  
23           gency Management Agency and the Secretary of Agri-  
24           culture may detail, on a reimbursable basis, any of the

1 personnel of such agencies to the task force to assist the  
2 task force in carrying out its duties under this section.

3 (f) REPORT.—Not later than the expiration of the 12-  
4 month period beginning on the date of the enactment of  
5 this Act, the task force shall submit to the Committee on  
6 Financial Services of the House of Representative and the  
7 Committee on Banking, Housing, and Urban Affairs of  
8 the Senate a report regarding the study conducted pursu-  
9 ant to subsection (a) that shall include any findings and  
10 conclusions of the study and recommended changes to the  
11 national flood insurance program to strengthen the eco-  
12 nomic viability and vitality of legacy communities, includ-  
13 ing an analysis and recommendations regarding allowing  
14 infill development and building expansion.

15 (g) LEGACY COMMUNITIES.—For purposes of this  
16 section, the term “legacy community” means a community  
17 that—

18 (1) has a population of less than 2,000; and

19 (2) is located in an area for which a substantial  
20 portion of the economy, currently is and historically  
21 was, based on agricultural production, as determined  
22 by the Administrator.

23 (h) TERMINATION.—The task force shall terminate  
24 upon the expiration of the 120-day period beginning upon  
25 the submission of the report required under subsection (f).

## **Section- by-Section Analysis of H.R. \_\_\_\_, Flood Insurance for Farmers Act of 2012**

### **Section 1: Short Title**

This section gives the bill the short title, “Flood Insurance for Farmers Act of 2012.”

### **Section 2: Floodplain Management Criteria**

This section amends the criteria for land management and use of the National Flood Insurance Act of 1968 to:

- Allow new and substantially improved agricultural structures to be built in floodplains by exempting such structures from the flood plans communities must adopt to be eligible for flood insurance from the Federal Emergency Management Agency (FEMA);
- Allow the rebuilding of agricultural and residential structures if protected by a 100-year flood levee;
- Allow the rebuilding of residential and non-residential structures (other than repetitive loss structures) if located in a legacy community and protected by a 100-year flood levee.

### **Section 3: Availability of Flood Insurance Coverage and Chargeable Rates**

This section requires FEMA to provide flood insurance coverage upon request for:

- New and substantially improved agricultural structures at a subsidized rate if located in floodplain;
- Agricultural, residential and non-residential structures if protected by a 100-year flood levee or located in legacy community at the applicable low-risk rate.

### **Section 4: Task Force On Legacy Community Flood Insurance Issues**

This section establishes a task force to conduct a study to analyze the challenges faced by legacy communities located in areas designated as an area having special flood hazards for purposes of the National Flood Insurance Program (NFIP).

## What Existing Law does Rep. Garamendi's *Flood Insurance for Farmers Act of 2012*, Cite or Amend?

Key: *Italicized and Yellow Highlighted is added*; ~~Strikethrough is deleted~~

### **TITLE 42 > CHAPTER 50 > SUBCHAPTER III > § 4102. Criteria for land management and use**

#### **(a) Studies and investigations**

The Director is authorized to carry out studies and investigations, utilizing to the maximum extent practicable the existing facilities and services of other Federal departments or agencies, and State and local governmental agencies, and any other organizations, with respect to the adequacy of State and local measures in flood-prone areas as to land management and use, flood control, flood zoning, and flood damage prevention, and may enter into any contracts, agreements, or other appropriate arrangements to carry out such authority.

#### **(b) Extent of studies and investigations**

Such studies and investigations shall include, but not be limited to, laws, regulations, or ordinances relating to encroachments and obstructions on stream channels and floodways, the orderly development and use of flood plains of rivers or streams, floodway encroachment lines, and flood plain zoning, building codes, building permits, and subdivision or other building restrictions.

#### **(c) Development of comprehensive criteria designed to encourage adoption of adequate State and local measures**

On the basis of such studies and investigations, and such other information as he deems necessary, the Director shall from time to time develop comprehensive criteria designed to encourage, where necessary, the adoption of adequate State and local measures which, to the maximum extent feasible, will—

- (1) constrict the development of land which is exposed to flood damage where appropriate,
- (2) guide the development of proposed construction away from locations which are threatened by flood hazards,
- (3) assist in reducing damage caused by floods, and
- (4) otherwise improve the long-range land management and use of flood-prone areas, and he shall work closely with and provide any necessary technical assistance to State, interstate, and local governmental agencies, to encourage the application of such criteria and the adoption and enforcement of such measures.

***"(d) TREATMENT OF CERTAIN STRUCTURES AND AREAS.—***

*“(1) REQUIREMENTS.—After the date of the enactment of this subsection, the comprehensive criteria for land management and use established pursuant to this section shall provide as follows:*

*“(A) TREATMENT OF CERTAIN AGRICULTURAL STRUCTURES.—Such criteria may not prohibit, limit, restrict, or condition, including requiring any floodproofing or flood damage mitigation activities or features with respect to, the new construction or substantial improvement of any agricultural structure in any area identified by the Director as having special flood hazards, except to the extent provided in section 1315(a)(2) and subject to subparagraphs (B) and (C) of this paragraph.”*

*“(B) TREATMENT OF STRUCTURES IN CERTAIN AREAS PROTECTED BY LEVEES.—Such criteria, with respect only to structures in a covered levee-protected area—*

*“(i) may not prohibit, limit, restrict, or condition, including requiring any floodproofing or flood damage mitigation activities or features with respect to, the new construction or substantial improvement of any agricultural structure; and*

*“(ii) shall provide that any substantial improvement made to an existing residen<sup>9</sup>*

*tial structure shall have the lowest floor (including any basement) elevated to or above the base flood level, except that for purposes of determining whether any improvement of residential structures in such an area is substantial or not, the term ‘substantial damage’ shall mean, for any damage caused other than by a flood event, damage for which the cost of restoring the structure to its before-damaged condition would equal or exceed 100 percent of the market value of the structure before the damage occurred.”*

*“(C) TREATMENT OF EXISTING STRUCTURES IN LEGACY COMMUNITIES PROTECTED BY LEVEES.—Such criteria shall provide that a legacy community located in a covered levee-protected area may adopt adequate land use and control measures that provide for the repair, restoration to pre-damaged conditions, or replacement of existing residential and non-residential structures other than repetitive loss structures (as such term is defined in section 1370).”*

*“(2) DEFINITIONS.—For purposes of this subsection, the following definitions shall apply:*

*“(A) AGRICULTURAL STRUCTURE.—The term ‘agricultural structure’ has the meaning given such term in section 1315(a)(2)(D).*

*“(B) COVERED LEVEE-PROTECTED AREA.—The term ‘covered levee-protected area’ means any area that is protected by a levee that is not accredited by the Administrator, but provides protection with at least 1 foot of freeboard above the water surface elevation of the base flood for such area.*

*“(C) LEGACY COMMUNITY.—The term ‘legacy community’ means a community that—*

*(i) has a population of less than 2,000; and*

*(ii) is located in an area for which a substantial portion of the economy, currently is and historically was, based on agricultural production, as determined by the Administrator.”*



**TITLE 42 > CHAPTER 50 > SUBCHAPTER I > § 4022. State and local land use controls**

**(a) Requirement for participation in flood insurance program**

**(1) In general**

After December 31, 1971, no new flood insurance coverage shall be provided under this chapter in any area (or subdivision thereof) unless an appropriate public body shall have adopted adequate land use and control measures (with effective enforcement provisions) which the Director finds are consistent with the comprehensive criteria for land management and use under section [4102](#) of this title.

**(2) Agricultural structures**

**(A) Activity restrictions**

~~Notwithstanding~~ *Subject to subparagraphs (B) and (C) of section 1361(d)(1) and notwithstanding* any other provision of law, the adequate land use and control measures required to be adopted in an area (or subdivision thereof) pursuant to paragraph (1) may provide, at the discretion of the appropriate State or local authority, for the repair and restoration to predamaged conditions of an agricultural structure that—

- (i) is a repetitive loss structure; or
- (ii) has incurred flood-related damage to the extent that the cost of restoring the structure to its predamaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred.

**(B) Premium rates and coverage**

~~To~~ *Subject to subparagraphs (B) and (C) of section 1361(d)(1) and to* the extent applicable, an agricultural structure repaired or restored pursuant to subparagraph (A) shall pay chargeable premium rates established under section [4015](#) of this title at the estimated risk premium rates under section [4014 \(a\)\(1\)](#) of this title. If resources are available, the Director shall provide technical assistance and counseling, upon request of the owner of the structure, regarding wet flood-proofing and other flood damage reduction measures for agricultural structures. The Director shall not be required to make flood insurance coverage available for such an agricultural structure unless the structure is wet flood-proofed through permanent or contingent measures applied to the structure or its contents that prevent or provide resistance to damage from flooding by allowing flood waters to pass through the structure, as determined by the Director.

**(C) Prohibition on disaster relief**

Notwithstanding any other provision of law, any agricultural structure repaired or restored pursuant to subparagraph (A) shall not be eligible for disaster relief assistance under any program administered by the Director or any other Federal agency.

**(D) Definitions**

For purposes of this paragraph—

- (i) the term “agricultural structure” means any structure used exclusively in connection with the production, harvesting, storage, raising, or drying of agricultural commodities; and
- (ii) the term “agricultural commodities” means agricultural commodities and livestock.

**(b) Community rating system and incentives for community floodplain management**

**(1) Authority and goals**

The Director shall carry out a community rating system program, under which communities participate voluntarily—

- (A) to provide incentives for measures that reduce the risk of flood or erosion damage that exceed the criteria set forth in section [4102](#) of this title and evaluate such measures;
- (B) to encourage adoption of more effective measures that protect natural and beneficial floodplain functions;
- (C) to encourage floodplain and erosion management; and
- (D) to promote the reduction of Federal flood insurance losses.

**(2) Incentives**

The program shall provide incentives in the form of credits on premium rates for flood insurance coverage in communities that the Director determines have adopted and enforced measures that reduce the risk of flood and erosion damage that exceed the criteria set forth in section [4102](#) of this title. In providing incentives under this paragraph, the Director may provide for credits to flood insurance premium rates in communities that the Director determines have implemented measures that protect natural and beneficial floodplain functions.

**(3) Credits**

The credits on premium rates for flood insurance coverage shall be based on the estimated reduction in flood and erosion damage risks resulting from the measures adopted by the community under this program. If a community has received mitigation assistance under section [4104c](#) of this title, the credits shall be phased in a manner, determined by the Director, to recover the amount of such assistance provided for the community.

**(4) Reports**

Not later than 2 years after September 23, 1994, and not less than every 2 years thereafter, the Director shall submit a report to the Congress regarding the program under this subsection. Each report shall include an analysis of the cost-effectiveness of the program, any other accomplishments or shortcomings of the program, and any recommendations of the Director for legislation regarding the program.

**(c) Replacement of mobile homes on original sites**

**(1) Community participation**

The placement of any mobile home on any site shall not affect the eligibility of any community to participate in the flood insurance program under this chapter and the Flood Disaster Protection Act of 1973 (notwithstanding that such placement may fail to comply with any elevation or flood damage mitigation requirements), if—

- (A) such mobile home was previously located on such site;
- (B) such mobile home was relocated from such site because of flooding that threatened or affected such site; and
- (C) such replacement is conducted not later than the expiration of the 180-day period that begins upon the subsidence (in the area of such site) of the body of water that flooded to a level considered lower than flood levels.

**(2) Definition**

For purposes of this subsection, the term “mobile home” has the meaning given such term in the law of the State in which the mobile home is located.

**TITLE 42 > CHAPTER 50 > SUBCHAPTER I > § 4015. Chargeable premium rates**

**(a) Establishment; terms and conditions**

On the basis of estimates made under section [4014](#) of this title, and such other information as may be necessary, the Director shall from time to time, after consultation with the advisory committee authorized under section [4025](#) of this title, appropriate representatives of the pool formed or otherwise created under section [4051](#) of this title, and appropriate representatives of the insurance authorities of the respective States, prescribe by regulation—

- (1) chargeable premium rates for any types and classes of properties for which insurance coverage shall be available under section [4012](#) of this title (at less than the estimated risk premium rates under section [4014 \(a\)\(1\)](#) of this title, where necessary), and
- (2) the terms and conditions under which, and the areas (including subdivisions thereof) within which, such rates shall apply.

**(b) Considerations for rates**

Such rates shall, insofar as practicable, be—

- (1) based on a consideration of the respective risks involved, including differences in risks due to land use measures, flood-proofing, flood forecasting, and similar measures.
- (2) adequate, on the basis of accepted actuarial principles, to provide reserves for anticipated losses, or, if less than such amount, consistent with the objective of making flood insurance available where necessary at reasonable rates so as to encourage prospective insureds to purchase such insurance and with the purposes of this chapter,
- (3) adequate, together with the fee under paragraph (1)(B)(iii) or (2) of section [4014 \(a\)](#) of this title, to provide for any administrative expenses of the flood insurance and floodplain management programs (including the costs of mapping activities under section [4101](#) of this title), and
- (4) stated so as to reflect the basis for such rates, including the differences (if any) between the estimated risk premium rates under section [4014 \(a\)\(1\)](#) of this title and the estimated rates under section [4014 \(a\)\(2\)](#) of this title.

**(c) Actuarial rate properties**

Subject only to the limitations provided under paragraphs (1) and (2) *of this subsection and to subsections (g) and (h)*, the chargeable rate shall not be less than the applicable estimated risk premium rate for such area (or subdivision thereof) under section [4014 \(a\)\(1\)](#) of this title with respect to the following properties:

**(1) Post-firm properties**

Any property the construction or substantial improvement of which the Director determines has been started after December 31, 1974, or started after the effective date of the initial rate map published by the Director under paragraph (2) of section [4101](#) of this title for the area in which such property is located, whichever is later, except that the chargeable rate for properties under this paragraph shall be subject to the limitation under subsection (e) of this section.

**(2) Certain leased coastal and river properties**

Any property leased from the Federal Government (including residential and nonresidential properties) that the Director determines is located on the river-facing side of any dike, levee,

or other riverine flood control structure, or seaward of any seawall or other coastal flood control structure.

**(d) Payment of certain sums to Director; deposits in Fund**

With respect to any chargeable premium rate prescribed under this section, a sum equal to the portion of the rate that covers any administrative expenses of carrying out the flood insurance and floodplain management programs which have been estimated under paragraphs (1)(B)(ii) and (1)(B)(iii) of section 4014 (a) of this title or paragraph (2) of such section (including the fees under such paragraphs), shall be paid to the Director. The Director shall deposit the sum in the National Flood Insurance Fund established under section 4017 of this title.

**(e) Annual limitation on premium increases**

Except with respect to properties described under paragraph (2) or (3) [1] of subsection (c) of this section, and notwithstanding any other provision of this chapter, the chargeable risk premium rates for flood insurance under this chapter for any properties within any single risk classification may not be increased by an amount that would result in the average of such rate increases for properties within the risk classification during any 12-month period exceeding 10 percent of the average of the risk premium rates for properties within the risk classification upon the commencement of such 12-month period.

**(f) Adjustment of premium**

Notwithstanding any other provision of law, if the Director determines that the holder of a flood insurance policy issued under this chapter is paying a lower premium than is required under this section due to an error in the flood plain determination, the Director may only prospectively charge the higher premium rate.

*"(g) NEW CONSTRUCTION AND SUBSTANTIAL IMPROVEMENT OF AGRICULTURAL STRUCTURES.—Subject to section 1315(a)(2)(B) and subsection (h) of this section, and notwithstanding any other provision of this Act, the Director shall make flood insurance coverage available upon request for any agricultural structure described in section 1361(d) that is located in any area identified by the Director as having special flood hazards. Such coverage shall be made available at chargeable premium rates that are based on estimated rates under section 1307(a)(2) and are consistent with the provisions of section 1308((b)(2) applicable to such rates.*

*"(h) STRUCTURES IN COVERED LEVEE-PROTECTED AREAS.—The Director shall make flood insurance coverage available upon request for any structure that is located in an area described in subparagraph (B) or (C) of section 1361(d)(1) and is constructed, improved, repaired, restored, or replaced as described in such subparagraph, as applicable. Such coverage*

*shall be made available at chargeable premium rates applicable to areas having a low or moderate risk of flooding (zone X ).".*

## **Where can I download the National Flood Insurance Act of 1968, as amended?**

The National Flood Insurance Act of 1968, as amended, and The Flood Disaster Protection Act of 1973, as amended, 42 U.S.C. 4001 et. seq. is available at <http://www.fema.gov/library/viewRecord.do?id=4430>.

## What is the National Flood Insurance Program?

According to Federal Emergency Management Agency, *the Flood Insurance and Mitigation Administration (FIMA)*, a component of the Federal Emergency Management Agency (FEMA), manages [the National Flood Insurance Program \(NFIP\)](#). The three components of the NFIP are:

- [Flood Insurance](#)
- [Floodplain Management](#)
- [Flood Hazard Mapping](#)

*Nearly 20,000 communities across the United States and its territories participate in the NFIP by adopting and enforcing floodplain management ordinances to reduce future flood damage. In exchange, the NFIP makes Federally backed flood insurance available to homeowners, renters, and business owners in these communities. Community participation in the NFIP is voluntary.*

*Flood insurance is designed to provide an alternative to disaster assistance to reduce the escalating costs of repairing damage to buildings and their contents caused by floods. Flood damage is reduced by nearly \$1 billion a year through communities implementing sound floodplain management requirements and property owners purchasing of flood insurance. Additionally, buildings constructed in compliance with NFIP building standards suffer approximately 80 percent less damage annually than those not built in compliance.*

*In addition to providing flood insurance and reducing flood damages through floodplain management regulations, the NFIP identifies and maps the Nation's floodplains. Mapping flood hazards creates broad-based awareness of the flood hazards and provides the data needed for floodplain management programs and to actuarially rate new construction for flood insurance.*

- The [NFIP Program Description](#) offers a more detailed overview and history of the program.
- Buying [flood insurance](#) is the best thing you can do to protect your home, your business, family, and financial security.

Source: <http://www.fema.gov/about/programs/nfip/index.shtm>