

any single structure, including any contents thereof, related to premises of small business occupants (as that term is defined by the Director), up to an amount equal to (i) \$250,000 plus (ii) \$200,000 multiplied by the number of such occupants which coverage shall be allocated among such occupants (or among the occupant or occupants and the owner) in accordance with the regulations prescribed by the Director pursuant to such subparagraph (B), except that the aggregate liability for the structure itself may in no case exceed \$250,000;”.

Subsec. (b)(5). Pub. L. 103-325, §573(b)(1), substituted a period for “; and” at end.

Subsec. (b)(6). Pub. L. 103-325, §573(b)(2), struck out par. (6) which read as follows: “the flood insurance purchase requirements of section 4012a of this title do not apply to the additional flood insurance limits made available in excess of twice the limits made available under paragraph (1).”

Subsec. (c). Pub. L. 103-325, §579(a), added subsec. (c).

Pub. L. 103-325, §552(a), struck out subsec. (c) which related to schedule for payment of flood insurance for structures on land subject to imminent collapse or subsidence.

1990—Subsec. (c)(7). Pub. L. 101-508 substituted “September 30, 1995” for “September 30, 1991”.

1989—Subsec. (c)(7). Pub. L. 101-137 substituted “September 30, 1991” for “September 30, 1989”.

1988—Subsec. (c). Pub. L. 100-242 added subsec. (c).

Subsec. (c)(1)(A). Pub. L. 100-628 substituted “following” for “Following” in cls. (i) and (ii).

Subsec. (c)(5). Pub. L. 100-707 substituted “Disaster Relief and Emergency Assistance Act” for “Disaster Relief Act of 1974”.

1983—Subsecs. (a), (b)(1)(B), (4). Pub. L. 98-181 substituted “Director” for “Secretary” wherever appearing.

1977—Subsec. (b)(2). Pub. L. 95-128 added par. (2) and redesignated former par. (2) as (5).

Subsec. (b)(3), (4). Pub. L. 95-128 added pars. (3) and (4).

Subsec. (b)(5). Pub. L. 95-128 redesignated former par. (2) as (5), struck out “(or allocated to any person under subparagraph (B) of such paragraph)” after “paragraph (1)”, and inserted “under paragraph (1)(C), (2), (3), or (4), as applicable” after “(or allocated)”.

Subsec. (b)(6). Pub. L. 95-128 added par. (6).

1973—Subsec. (b)(1)(A). Pub. L. 93-234, §101(a), in increasing limits of coverage, struck out following introductory text “residential properties” the clause “which are designed for the occupancy of from one to four families”; substituted provisions in cl. (i) “\$35,000 aggregate liability for any single-family dwelling, and \$100,000 for any residential structure containing more than one dwelling unit” for “\$17,500 aggregate liability for any dwelling unit, and \$30,000 for any single dwelling structure containing more than one dwelling unit”; increased cl. (ii) limits to \$10,000 from \$5,000 and added cl. (iii).

Subsec. (b)(1)(B). Pub. L. 93-234, §101(b), substituted “\$100,000” for “\$30,000” in cl. (i), for “\$5,000” in cl. (ii), and for “\$30,000” in exception provision.

Subsec. (b)(1)(C). Pub. L. 93-234, §101(c), increased cl. (i) limits to \$100,000 from \$30,000 and substituted cl. (ii) “\$100,000 aggregate liability per unit for any contents related to such unit” for “\$5,000 aggregate liability per dwelling unit for any contents related to such unit in the case of residential properties, or per occupant (as that term is defined by the Secretary) for any contents related to the premises occupied in the case of any other properties”.

1971—Subsec. (b)(1)(C). Pub. L. 92-213 inserted “church properties, and” before “any other properties which may become”.

EFFECTIVE DATE OF 1988 AMENDMENT

Section 544(b) of Pub. L. 100-242 provided that: “The amendment made by this section [amending this section] shall become effective on the date of the enactment of this Act [Feb. 5, 1988].”

SAVINGS PROVISION

Pub. L. 103-325, title V, §552(c), Sept. 23, 1994, 108 Stat. 2269, required the Director of the Federal Emergency Management Agency to make payments under flood insurance contracts based on commitments made before the expiration of the 1-year period beginning on Sept. 23, 1994, pursuant to the authority under subsec. (c) of this section or section 552(b) of Pub. L. 103-325, formerly set out below.

TRANSFER OF FUNCTIONS

For transfer of all functions, personnel, assets, components, authorities, grant programs, and liabilities of the Federal Emergency Management Agency, including the functions of the Under Secretary for Federal Emergency Management relating thereto, to the Federal Emergency Management Agency, see section 315(a)(1) of Title 6, Domestic Security.

For transfer of functions, personnel, assets, and liabilities of the Federal Emergency Management Agency, including the functions of the Director of the Federal Emergency Management Agency relating thereto, to the Secretary of Homeland Security, and for treatment of related references, see former section 313(1) and sections 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

TRANSITION PHASE

Pub. L. 103-325, title V, §552(b), Sept. 23, 1994, 108 Stat. 2269, permitted the Director of the Federal Emergency Management Agency to pay amounts under flood insurance contracts for demolition or relocation of structures as provided in subsec. (c) of this section (as in effect immediately before the enactment of Pub. L. 103-325), during the 1-year period beginning on Sept. 23, 1994.

§ 4014. Estimates of premium rates

(a) Studies and investigations

The Director is authorized to undertake and carry out such studies and investigations and receive or exchange such information as may be necessary to estimate, and shall from time to time estimate, on an area, subdivision, or other appropriate basis—

(1) the risk premium rates for flood insurance which—

(A) based on consideration of the risk involved and accepted actuarial principles, and
(B) including—

(i) the applicable operating costs and allowances set forth in the schedules prescribed under section 4018 of this title and reflected in such rates,

(ii) any administrative expenses (or portion of such expenses) of carrying out the flood insurance program which, in his discretion, should properly be reflected in such rates, and

(iii) any remaining administrative expenses incurred in carrying out the flood insurance and floodplain management programs (including the costs of mapping activities under section 4101 of this title) not included under clause (ii), which shall be recovered by a fee charged to policyholders and such fee shall not be subject to any agents' commissions, company expense allowances, or State or local premium taxes,

would be required in order to make such insurance available on an actuarial basis for any

types and classes of properties for which insurance coverage is available under section 4012(a) of this title (or is recommended to the Congress under section 4012(b) of this title);

(2) the rates, if less than the rates estimated under paragraph (1), which would be reasonable, would encourage prospective insureds to purchase flood insurance, and would be consistent with the purposes of this chapter, and which, together with a fee charged to policyholders that shall not be not subject to any agents' commission, company expenses allowances, or State or local premium taxes, shall include any administrative expenses incurred in carrying out the flood insurance and floodplain management programs (including the costs of mapping activities under section 4101 of this title); and

(3) the extent, if any, to which federally assisted or other flood protection measures initiated after August 1, 1968, affect such rates.

(b) Utilization of services of other Departments and agencies

In carrying out subsection (a) of this section, the Director shall, to the maximum extent feasible and on a reimbursement basis, utilize the services of the Department of the Army, the Department of the Interior, the Department of Agriculture, the Department of Commerce, and the Tennessee Valley Authority, and, as appropriate, other Federal departments or agencies, and for such purposes may enter into agreements or other appropriate arrangements with any persons.

(c) Priority to studies and investigations in States or areas evidencing positive interest in securing insurance under program

The Director shall give priority to conducting studies and investigations and making estimates under this section in those States or areas (or subdivisions thereof) which he has determined have evidenced a positive interest in securing flood insurance coverage under the flood insurance program.

(d) Parishes of Louisiana; premium rates

Notwithstanding any other provision of law, any structure existing on December 31, 1973, and located within Avoyelles, Evangeline, Rapides, or Saint Landry Parish in the State of Louisiana, which the Secretary determines is subject to additional flood hazards as a result of the construction or operation of the Atchafalaya Basin Levee System, shall be eligible for flood insurance under this chapter (if and to the extent it is eligible for such insurance under the other provisions of this chapter) at premium rates that shall not exceed those which would be applicable if such additional hazards did not exist.

(e) Eligibility of community making adequate progress on construction of flood protection system for rates not exceeding those applicable to completed flood protection system; determination of adequate progress

Notwithstanding any other provision of law, any community that has made adequate progress, acceptable to the Director, on the construction of a flood protection system which

will afford flood protection for the one-hundred year frequency flood as determined by the Director, shall be eligible for flood insurance under this chapter (if and to the extent it is eligible for such insurance under the other provisions of this chapter) at premium rates not exceeding those which would be applicable under this section if such flood protection system had been completed. The Director shall find that adequate progress on the construction of a flood protection system as required herein has been only if (1) 100 percent of the project cost of the system has been authorized, (2) at least 60 percent of the project cost of the system has been appropriated, (3) at least 50 percent of the project cost of the system has been expended, and (4) the system is at least 50 percent completed.

(f) Availability of flood insurance in communities restoring discredited flood protection systems; criteria; rates

Notwithstanding any other provision of law, this subsection shall only apply in a community which has been determined by the Administrator of the Federal Emergency Management Agency to be in the process of restoring flood protection afforded by a flood protection system that had been previously accredited on a Flood Insurance Rate Map as providing 100-year frequency flood protection but no longer does so. Except as provided in this subsection, in such a community, flood insurance shall be made available to those properties impacted by the discreditation of the flood protection system at premium rates that do not exceed those which would be applicable to any property located in an area of special flood hazard, the construction of which was started prior to the effective date of the initial Flood Insurance Rate Map published by the Director for the community in which such property is located. A revised Flood Insurance Rate Map shall be prepared for the community to delineate as Zone AR the areas of special flood hazard that result from the discreditation of the flood protection system. A community will be considered to be in the process of restoration if—

(1) the flood protection system has been deemed restorable by a Federal agency in consultation with the local project sponsor;

(2) a minimum level of flood protection is still provided to the community by the discredited system; and

(3) restoration of the flood protection system is scheduled to occur within a designated time period and in accordance with a progress plan negotiated between the community and the Federal Emergency Management Agency.

Communities that the Administrator of the Federal Emergency Management Agency determines to meet the criteria set forth in paragraphs (1) and (2) as of January 1, 1992, shall not be subject to revised Flood Insurance Rate Maps that contravene the intent of this subsection. Such communities shall remain eligible for C zone rates for properties located in zone AR for any policy written prior to promulgation of final regulations for this section. Floodplain management criteria for such communities shall not require the elevation of improvements to ex-

isting structures and shall not exceed 3 feet above existing grade for new construction, provided the base flood elevation based on the discredited flood control system does not exceed five feet above existing grade, or the remaining new construction in such communities is limited to infill sites, rehabilitation of existing structures, or redevelopment of previously developed areas.

The Administrator of the Federal Emergency Management Agency shall develop and promulgate regulations to implement this subsection, including minimum floodplain management criteria, within 24 months after October 28, 1992.

(Pub. L. 90-448, title XIII, §1307, Aug. 1, 1968, 82 Stat. 576; Pub. L. 93-234, title I, §109, Dec. 31, 1973, 87 Stat. 980; Pub. L. 93-383, title VIII, §816(b), Aug. 22, 1974, 88 Stat. 739; Pub. L. 98-181, title IV, §451(d)(1), Nov. 30, 1983, 97 Stat. 1229; Pub. L. 101-508, title II, §2302(e)(1), Nov. 5, 1990, 104 Stat. 1388-24; Pub. L. 102-550, title IX, §928, Oct. 28, 1992, 106 Stat. 3886; Pub. L. 109-295, title VI, §612(c), Oct. 4, 2006, 120 Stat. 1410.)

REFERENCES IN TEXT

This chapter, referred to in subsecs. (a)(2), (d), and (e), was in the original a reference to “this title” meaning title XIII of Pub. L. 90-448, Aug. 1, 1968, 82 Stat. 572, known as the National Flood Insurance Act of 1968, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 4001 of this title and Tables.

AMENDMENTS

1992—Subsec. (f). Pub. L. 102-550 added subsec. (f).
1990—Subsec. (a)(1)(B)(iii). Pub. L. 101-508, §2302(e)(1)(A)-(C), added cl. (iii).

Subsec. (a)(2). Pub. L. 101-508, §2302(e)(1)(D), inserted before semicolon “, and which, together with a fee charged to policyholders that shall not be not subject to any agents’ commission, company expenses allowances, or State or local premium taxes, shall include any administrative expenses incurred in carrying out the flood insurance and floodplain management programs (including the costs of mapping activities under section 4101 of this title)”.

1983—Subsecs. (a) to (c), (e). Pub. L. 98-181 substituted “Director” for “Secretary” wherever appearing.

1974—Subsec. (e). Pub. L. 93-383 added subsec. (e).

1973—Subsec. (d). Pub. L. 93-234 added subsec. (d).

CHANGE OF NAME

“Administrator of the Federal Emergency Management Agency” substituted for “Director of the Federal Emergency Management Agency” in subsec. (f) on authority of section 612(c) of Pub. L. 109-295, set out as a note under section 313 of Title 6, Domestic Security. Any reference to the Administrator of the Federal Emergency Management Agency in title VI of Pub. L. 109-295 or an amendment by title VI to be considered to refer and apply to the Director of the Federal Emergency Management Agency until Mar. 31, 2007, see section 612(f)(2) of Pub. L. 109-295, set out as a note under section 313 of Title 6.

TRANSFER OF FUNCTIONS

For transfer of all functions, personnel, assets, components, authorities, grant programs, and liabilities of the Federal Emergency Management Agency, including the functions of the Under Secretary for Federal Emergency Management relating thereto, to the Federal Emergency Management Agency, see section 315(a)(1) of Title 6, Domestic Security.

For transfer of functions, personnel, assets, and liabilities of the Federal Emergency Management Agen-

cy, including the functions of the Director of the Federal Emergency Management Agency relating thereto, to the Secretary of Homeland Security, and for treatment of related references, see former section 313(1) and sections 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

FEEES

Pub. L. 108-7, div. K, title III, Feb. 20, 2003, 117 Stat. 517, provided in part: “That beginning in fiscal year 2003 and thereafter, fees authorized in 42 U.S.C. 4014(a)(1)(B)(iii) shall be collected only if provided in advance in appropriations acts.”

STUDY OF ECONOMIC EFFECTS OF CHARGING ACTUARIALLY BASED PREMIUM RATES FOR PRE-FIRM STRUCTURES

Pub. L. 103-325, title V, §578, Sept. 23, 1994, 108 Stat. 2284, required the Director of the Federal Emergency Management Agency to conduct a study of the economic effects that would result from increasing premium rates for flood insurance coverage for pre-FIRM structures and submit a report to Congress no later than 12 months after Sept. 23, 1994.

SEA LEVEL RISE STUDY

Pub. L. 101-137, §5, Nov. 3, 1989, 103 Stat. 825, directed Director of Federal Emergency Management Agency to conduct a study to determine the impact of relative sea level rise on the flood insurance rate maps, such study also to project the economic losses associated with estimated sea level rise and aggregate such data for the United States as a whole and by region, with Director to report results of study to Congress not later than one year after Nov. 3, 1989.

§ 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,