

**§ 4072. Adjustment and payment of claims; judicial review; limitations; jurisdiction**

In the event the program is carried out as provided in section 4071 of this title, the Administrator shall be authorized to adjust and make payment of any claims for proved and approved losses covered by flood insurance, and upon the disallowance by the Administrator of any such claim, or upon the refusal of the claimant to accept the amount allowed upon any such claim, the claimant, within one year after the date of mailing of notice of disallowance or partial disallowance by the Administrator, may institute an action against the Administrator on such claim in the United States district court for the district in which the insured property or the major part thereof shall have been situated, and original exclusive jurisdiction is hereby conferred upon such court to hear and determine such action without regard to the amount in the controversy.

(Pub. L. 90-448, title XIII, §1341, Aug. 1, 1968, 82 Stat. 584; Pub. L. 98-181, title I [title IV, §451(d)(1), (5)], Nov. 30, 1983, 97 Stat. 1229; Pub. L. 112-141, div. F, title II, §100238(b)(1), July 6, 2012, 126 Stat. 958.)

AMENDMENTS

2012—Pub. L. 112-141 substituted “Administrator” for “Director” wherever appearing.

1983—Pub. L. 98-181, §451(d)(5), inserted “original exclusive” before “jurisdiction”.

Pub. L. 98-181, §451(d)(1), substituted “Director” for “Secretary” wherever appearing.

EFFECTIVE DATE

Section effective 120 days following Aug. 1, 1968, or such later date prescribed by the Secretary but in no event more than 180 days following Aug. 1, 1968, see section 1377 of Pub. L. 90-448, set out as a note under section 4001 of this title.

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.

PART C—GENERAL PROVISIONS

**§ 4081. Services by insurance industry**

**(a) Contracting for services and facilities**

In administering the flood insurance program under this subchapter, the Administrator is authorized to enter into any contracts, agreements, or other appropriate arrangements which may, from time to time, be necessary for the purpose of utilizing, on such terms and conditions as may be agreed upon, the facilities and services of any insurance companies or other in-

surers, insurance agents and brokers, or insurance adjustment organizations; and such contracts, agreements, or arrangements may include provision for payment of applicable operating costs and allowances for such facilities and services as set forth in the schedules prescribed under section 4018 of this title.

**(b) Certain laws inapplicable to contracting**

Any such contracts, agreements, or other arrangements may be entered into without regard to the provisions of section 6101 of title 41 or any other provision of law requiring competitive bidding and without regard to the provisions of the Federal Advisory Committee Act (5 U.S.C. App.).

**(c) Hold harmless**

The Administrator of the Federal Emergency Management Agency shall hold any agent or broker selling or undertaking to sell flood insurance under this chapter harmless from any judgment for damages against such agent or broker as a result of any court action by a policyholder or applicant arising out of an error or omission on the part of the Federal Emergency Management Agency, and shall provide any such agent or broker with indemnification, including court costs and reasonable attorney fees, arising out of and caused by an error or omission on the part of the Federal Emergency Management Agency and its contractors. The Administrator of the Federal Emergency Management Agency may not hold harmless or indemnify an agent or broker for his or her error or omission.

**(d) FEMA authority on transfer of policies**

Notwithstanding any other provision of this chapter, the Administrator may, at the discretion of the Administrator, refuse to accept the transfer of the administration of policies for coverage under the flood insurance program under this chapter that are written and administered by any insurance company or other insurer, or any insurance agent or broker.

**(e) Risk transfer**

The Administrator may secure reinsurance of coverage provided by the flood insurance program from the private reinsurance and capital markets at rates and on terms determined by the Administrator to be reasonable and appropriate, in an amount sufficient to maintain the ability of the program to pay claims.

(Pub. L. 90-448, title XIII, §1345, Aug. 1, 1968, 82 Stat. 585; Pub. L. 97-35, title III, §341(e), Aug. 13, 1981, 95 Stat. 419; Pub. L. 98-181, title I [title IV, §451(d)(1)], Nov. 30, 1983, 97 Stat. 1229; Pub. L. 103-325, title V, §574, Sept. 23, 1994, 108 Stat. 2278; Pub. L. 112-141, div. F, title II, §§100238(b)(1), 100245, July 6, 2012, 126 Stat. 958, 966; Pub. L. 113-89, §10, Mar. 21, 2014, 128 Stat. 1025.)

REFERENCES IN TEXT

The Federal Advisory Committee Act, referred to in subsec. (b), is Pub. L. 92-463, Oct. 6, 1972, 86 Stat. 770, as amended, which is set out in the Appendix to Title 5, Government Organization and Employees.

This chapter, referred to in subsecs. (c) and (d), 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.