

**Proposal 17: Remove Barriers to Switching to Private Policies** – Allows flood insurance coverage to satisfy any continuous coverage requirements imposed by the NFIP.

**Legislative text:**

1 **SEC. \_\_. REMOVE BARRIERS TO SWITCHING TO PRIVATE POLICIES.**

2 Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015) is amended by  
3 adding at the end the following:

4 “(n) EFFECT OF PRIVATE FLOOD INSURANCE COVERAGE ON CONTINUOUS COVERAGE  
5 REQUIREMENTS.— For purposes of applying any statutory, regulatory, or administrative continuous  
6 coverage requirement, including under section 1307(g)(1), the Administrator shall consider any  
7 period during which a property was continuously covered by private flood insurance (as defined in  
8 section 102(b)(7) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(b)(7))) to be a  
9 period of continuous coverage.”.

**Analysis:**

Policyholders must maintain continuous NFIP flood insurance coverage to keep certain premium discounts. The NFIP generally may not continue providing discounted premiums for properties that have experienced a lapse in NFIP coverage. *See* NFIA § 1307(g) (42 U.S.C. 4014(g)). As a result, if an individual moves to a private flood insurance policy, they may not be eligible to regain their premium discounts should they need to return to the NFIP. This is seen as a barrier to the expansion of the private flood insurance market.

This proposal amends Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015) to include a new subsection that would allow private flood insurance coverage to satisfy any continuous coverage requirements imposed by the NFIP. This would allow an individual to move to the private market without the risk of losing premium discounts should they decide to return to the NFIP.

**Comparative type:**

NATIONAL FLOOD INSURANCE ACT OF 1968

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SUBCHAPTER I—THE NATIONAL FLOOD INSURANCE PROGRAM

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SEC. 1308. CHARGEABLE PREMIUM RATES. (42 U.S.C. 4015)

(a)-(m) \* \* \* \* \*

**(n) Effect of Private Flood Insurance Coverage on Continuous Coverage Requirements.-- For purposes of applying any statutory, regulatory, or administrative continuous coverage requirement, including under section 1307(g)(1), the Administrator shall consider any period during which a property was continuously covered by private flood insurance (as defined in section 102(b)(7) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(b)(7))) to be a period of continuous coverage.**

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