

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 2874
OFFERED BY MR. PALLONE OF NEW JERSEY**

Strike section 102 and insert the following:

1 **SEC. 102. LIMITATION ON INCREASES OF PREMIUMS, SUR-**
2 **CHARGES, AND MAPPING FEES.**

3 (a) DEFINITION.—In this section, the term “covered
4 cost” means—

5 (1) the amount of an annual premium with re-
6 spect to any policy for flood insurance under the Na-
7 tional Flood Insurance Program;

8 (2) any surcharge imposed with respect to a
9 policy described in paragraph (1), including a sur-
10 charge imposed under—

11 (A) section 1304(b) of the National Flood
12 Insurance Act of 1968 (42 U.S.C. 4011(b)), as
13 amended by section 201(b); or

14 (B) section 1308A(a) of the National
15 Flood Insurance Act of 1968 (42 U.S.C.
16 4015a(a)); and

17 (3) a fee described in paragraph (1)(B)(iii) or
18 (2) of section 1307(a) of the National Flood Insur-
19 ance Act of 1968 (42 U.S.C. 4014(a)).

1 (b) LIMITATION ON INCREASES.—During the 6-year
2 period beginning on the date of enactment of this Act, and
3 notwithstanding section 1308(e) of the National Flood In-
4 surance Act of 1968 (42 U.S.C. 4015(e)), the Adminis-
5 trator may not, in any year, increase the amount of any
6 covered cost by an amount that is more than 10 percent,
7 as compared with the amount of the covered cost during
8 the previous year.

9 (c) RULE OF CONSTRUCTION.—Nothing in sub-
10 section (b) may be construed as prohibiting the Adminis-
11 trator from reducing, in any year, the amount of any cov-
12 ered cost, as compared with the amount of the covered
13 cost during the previous year.

14 (d) AVERAGE HISTORICAL LOSS YEAR.—Section
15 1308 of the National Flood Insurance Act of 1968 (42
16 U.S.C. 4015) is amended by striking subsection (h) and
17 inserting the following:

18 “(h) RULE OF CONSTRUCTION.—For purposes of this
19 section, the calculation of an ‘average historical loss year’
20 shall be computed in accordance with generally accepted
21 actuarial principles.”.

