17

AMENDMENT TO H.R. 3121, AS REPORTED

OFFERED BY MR. WATT OF NORTH CAROLINA

At the end of the bill add the following new section:

1 **SEC. ___. REPORT OF ADMINISTRATIVE EXPENSES OF**
2 **WRITE-YOUR-OWN INSURERS; INDEPENDENT**
3 **AUDITS.**

4 Section 1348 of the National Flood Insurance Act of
5 1968 (42 U.S.C. 4084) is amended by adding at the end
6 the following new subsections:

7 "(c) Any insurance company or other private organi-
8 zation executing any contract, agreement, or other appro-
9 priate arrangement with the Director under this part
10 shall—

11 "(1) annually submit to the Director a record
12 of all administrative and operating costs of the pro-
13 gram undertaken; and

14 "(2) biennially submit to the Director an inde-
15 pendent audit of the program undertaken that is
16 conducted by a certified public accountant to ensure
17 that payments made are proper and in accordance
18 with this Act.

19 "(d) The Director shall review the records and audits
20 submitted under paragraphs (1) and (2) of subsection (c)

1 to determine if such payments are reasonable and if the
2 system by which the Director makes payments to an insur-
3 ance company or other private organization under this
4 part should be revised.".