

Homeowners Defense Act to Be Considered on House Floor This Week

Klein/Mahoney Legislation to Eliminate Federal Bailouts and Provide Property Owners Relief by Increasing Access and Lowering Insurance Rates

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(WASHINGTON D.C.) - U.S. Reps. Ron Klein and Tim Mahoney today announced that the House of Representatives is expected to consider legislation they developed that will provide critical relief to homeowners across the country this week. The Homeowners' Defense Act establishes a national catastrophic program to increase access insurance and protect consumers. Though legislation to establish a national catastrophe program has been introduced in the past, this is the first time a bill has made it to the floor for a vote.

The House of Representatives is tentatively scheduled to consider the legislation Wednesday.

"Congressman Mahoney and I are thrilled that Congress is taking this historic, unprecedented step and considering our legislation that would provide vital relief to homeowners," said Klein. "Rising insurance rates are affecting homeowners across the country. The insurance market is not working and it is time to institute a plan that will stabilize the market, which we believe will ultimately lead to lower insurance rates for consumers."

"One year to the week of our election, Congressman Klein and I are making good on our promise to help homeowners who are struggling to stay in their homes due to skyrocketing premiums. Our bill will lower rates, keep insurance companies from exiting the market, and eliminate the federal bailout which unfairly taxes all Americans to pay for disasters that can be planned for," said Congressman Tim Mahoney.

Klein and Mahoney introduced the Homeowners' Defense Act of 2007 earlier this year, and the House Financial Services Committee passed the legislation at the beginning of October. The bill provides a venue for state-sponsored insurance funds to voluntarily pool their catastrophe risk with one another, and then transfer that risk to the private markets through the use of catastrophe bonds and reinsurance contracts. The bill also provides for loans that could be extended to any state that faces a significant financial shortfall following a natural catastrophe. These common-sense provisions will ensure that states are able to provide for their citizens in the wake of a devastating event.

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