

Legislative Accomplishments: Insurance

- Secured

a seat on the House Financial Services Committee, which oversees the insurance industry.

- Secured

the Commitment of Chairman Barney Frank and House Leadership to make homeowners insurance reform a priority.

Subsequently tapped by Chairman Frank to draft legislation with Congressman Ron Klein to create a National Catastrophe Program.

- Congressmen

Ron Klein and Tim Mahoney introduced H.R. 3355, the Homeowners' Defense Act of 2007.

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This proactive approach focuses on providing an opportunity for states to responsibly plan for disasters ahead of time, while also offering emergency relief for those states that may be lower-risk regions.

By planning ahead of time, states can reduce their catastrophe losses and get homeowners back on their feet as quickly as possible following a disaster.

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The bill sets up a consortium 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. Following the risk transfer, state-sponsored insurance funds will be better protected and increasingly able to provide services for those who are not able to find insurance on their own.

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The legislation further provides for loans that could be extended to any state facing a significant financial shortfall after 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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Acknowledging that homeowners are the first line of defense against a catastrophe, the bill encourages sound mitigation efforts and stresses the impact that homeowners can take to protect their own homes.

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RC#

1074; passed House 11/8/07; 258-155