

SCHIFF INTRODUCES BILL TO ENSURE HOMEOWNERS, VULNERABLE COMMUNITIES NOT EXCLUDED FROM CATASTROPHIC COVERAGE

Adam Schiff

Today, Representative Adam Schiff (D-Calif.) introduced the Incorporating National Support for Unprecedented Risks and Emergencies (INSURE) Act to stabilize the home insurance market while ensuring vulnerable communities are not excluded from coverage. This legislation would create a federal catastrophic reinsurance program to insulate consumers from unrestrained cost increases by offering insurers a transparent, fairly priced public reinsurance alternative for the worst climate-driven catastrophes.

“My INSURE Act addresses the urgent crisis in the home insurance market, particularly in California, where the cost of insurance has gone through the roof and insurers have stopped writing new policies. Climate change has significantly increased the risk of natural disasters and insurance companies are shifting the costs to consumers who struggle to purchase disaster coverage,” said Rep. Schiff. “My bill is a critical step forward in the effort to ensure homeowners and communities have access to affordable and accessible coverage. I’ll keep working to get this across the finish line and bring the cost of insurance down.”

“The INSURE Act is critical to addressing the market failures causing property insurance availability and affordability issues around the country. CEJ strongly supports this important legislation, which will lead our nation to a more resilient and secure future,” said Birny Birnbaum, Director, Center for Economic Justice.

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“American homeowners are facing an insurance crisis, struggling with double digit premium hikes and losing choices in the market, that stems from the intersecting problems of climate-driven catastrophes and the high cost of unregulated, global reinsurance. The INSURE Act will improve homeowners’ access to quality insurance coverage, promote risk reduction and loss mitigation, and strengthen community resilience. With the climate-driven insurance crisis impacting every part of the country, it is critical that Congress act quickly to stabilize the market,” said Douglas Heller, Director of Insurance, Consumer Federation of America.

“With widespread shortages and skyrocketing premiums, it is increasingly clear that the insurance industry is unwilling or unable to serve the needs of consumers and business throughout the country, and for that reason government intervention is necessary. The INSURE Act will help stabilize the U.S. insurance marketplace, safeguard our economy against further disruptions and incentivize insurance companies to do more to protect policyholders and the public against the effects of climate change,” said Harvey Rosenfield, Founder of Consumer Watchdog and author of CA Proposition 103.

“The financial safety net that home insurance provides is a necessity to American households and cannot become a luxury that only the wealthy can afford. Given how insurance companies are shrinking coverage, raising prices and abandoning entire communities in reaction to climate change, risk scores and drone imagery, we must build a new safety net option that incorporates risk reduction, risk spreading and pooling best practices and supplements the private system so as to keep US homes insured,” said Amy Bach, Founder and Executive Director, United Policyholders.

Specifically, Schiff’s INSURE Act would protect homeowners and communities from increasing coverage costs by:

- Establishing a Federal Catastrophe Reinsurance Program within the Department of the Treasury to cap insurers’ liability in the case of a catastrophic event above a threshold developed by the Secretary and an advisory committee of experts.
- Requiring participating insurers to cover all natural disasters, including wildfires, severe storms, wind, hurricanes, floods, and earthquakes.
- Directing significant investments from insurers in loss prevention and risk mitigation partnerships with policyholders.

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- Improving market monitoring through the Office of Financial Research and the Federal Insurance Office in collaboration with state insurance regulators.

The INSURE Act is supported by the Center for Economic Justice, Consumer Action, Consumers Council of Missouri, Consumer Federation of America, Consumer Federation of California, Consumer Watchdog, Delaware Community Reinvestment Action Council, Georgia Watch, Oregon Consumer Justice, Real Reform Louisiana, Strategic Action for a Just Economy, Texas Appleaseed, Texas Watch, and United Policyholders.

The legislation is also co-sponsored by Representatives Zoe Lofgren (D-Calif.), Rashida Tlaib (D-Mich.), Julia Brownley (D-Calif.), Kevin Mullin (D-Calif.), Andrea Salinas (D-Ore.), Val Hoyle (D-Ore.).

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