

[The INSURE Act: Could a New Federal Backstop Stabilize Home Insurance and Make Homes Insurable Again?](#)

Yahoo Life

Across the country, homeowners are facing a home insurance crisis. Not only are premiums on the rise, but the policies themselves are becoming harder—and in some places, nearly impossible—to find.

In states vulnerable to natural disasters like California, Florida, Texas, and Louisiana, major insurers are pulling out or refusing to renew policies, leaving millions of Americans scrambling for coverage as wildfire seasons grow longer and storms more destructive.

Now, in the wake of this year’s devastating wildfires in Los Angeles County, lawmakers are renewing their calls for a federal solution. U.S. Sen. Adam Schiff has reintroduced the INSURE Act, a proposal that would create a federal reinsurance program to help stabilize the home insurance market.

The goal: Make insurance both available and affordable in high-risk areas and stop the slow erosion of one of the core pillars of homeownership.

“Too many families and small businesses are struggling to keep up with the rising costs of insurance, and steep year-after-year price increases are simply unsustainable,” Schiff said in a statement. “Significant steps must be taken to address this crisis, and the INSURE Act is one of them.”

If passed, the INSURE Act could reshape how catastrophic risk is shared and whether homeowners in regions prone to disaster can continue to protect their home.

“All across America, in fire zones and flood plains and well beyond, the most valuable property a family

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may own is becoming uninsurable. This must be addressed with urgency,” Schiff’s statement continued.

What the INSURE Act proposes

The bill would establish a federal catastrophic reinsurance program within the U.S. Department of the Treasury. Participating insurance companies would gain access to this government-backed safety net, which is designed to absorb some of the financial risk they face from increasingly frequent and severe disasters like wildfires, floods, hurricanes, and earthquakes.

In return, insurers would be required to offer comprehensive coverage to homeowners.

The legislation would also cap insurer liability during major disaster events as further incentive for insurers. The exact cap amount would be determined by the Treasury secretary and an expert committee.

Supporters argue this would create more pricing predictability and help insurers stay in the market, even after devastating events, which in turn could reduce premiums for policyholders while keeping insurance options available in high-risk regions.

Why it’s needed

The home insurance crisis is no longer a future threat—it’s a present-day emergency. Today, nearly 1 in 7 homes are without home insurance, because the owners find it too expensive or can’t find a policy.

The gap between risk and coverage was thrown into stark relief earlier this year when wildfires tore through Los Angeles County. In the aftermath of the Eaton and Palisades fires, an estimated 75% of affected homeowners were underinsured, with some facing six- or seven-figure shortfalls in rebuilding costs.

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