



May 10, 2024

The Honorable Adam Schiff Member,  
U.S. House of Representatives  
2309 Rayburn House Office Building  
Washington, DC 20515

**RE: H.R. 6944 - INCORPORATING NATIONAL SUPPORT FOR UNPRECEDENTED RISKS AND EMERGENCIES (INSURE ACT) — SUPPORT**

Dear Congressman Schiff,

On behalf of United Policyholders (“UP”)<sup>1</sup>, we write to thank you for introducing H.R. 6944 and express our support for the measure.

As a national non-profit organization that has been informing and assisting home and business owners on everyday insurance matters and disaster preparedness and recovery for over three decades, we can say with certainty that there is a property insurance availability and affordability crisis in the United States that isn’t going to fix itself.<sup>2</sup> While there are myriad state government sponsored hybrid public/private insurance programs already in place, those programs, the voluntary market, and consumers need additional help at the Federal level.

By supplementing privately available reinsurance, institutionalizing risk reduction funding, incentives and rewards, and restoring a way for Americans to protect their assets against the full spectrum of natural hazards, this bill can advance our imperative to keep U.S. households financially protected and our mortgage system sound.

Per my quote in 2014’s “This Changes Everything: Capitalism and the Climate”, a publicly traded insurance company in the face of climate change is not a sustainable business model for the end user, the consumer.<sup>3</sup> To avoid what the author of that book referred to as a “disaster capitalism free-for-all”, we must innovate. Insurers are signaling loud and clear that they need to

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<sup>1</sup> United Policyholders (“UP”) is a non-profit organization that has been informing, helping, and speaking for insurance consumers across the United States since 1991. UP is funded by donations, grants and volunteer labor. Through our Roadmap to Preparedness and Roadmap to Recovery programs, UP helps Americans reduce risk, protect their assets, and successfully navigate insurance claims and loss recovery. Through our Advocacy and Action program, UP promotes fair insurance practices and defends consumer rights and protections.

<sup>2</sup> <https://uphelp.org/bach-talk-government-supported-property-insurance-programs-are-here-to-stay/>

<sup>3</sup> This Changes Everything: Capitalism and the Climate, Simon & Schuster, 2014, at page 109.

significantly reduce the amount of capital they're investing in insuring real property throughout the country.<sup>4</sup>

No state in the country is immune to natural disaster risks, be they hurricanes, hail, floods, earthquakes, wildfires or tornadoes, and while there are businesses and affluent homeowners that can afford to forgo buying insurance and self-insure, the majority of Americans can't. Yet we know that an historical number of U.S. property owners are "going bare" because they either have no option at all or no affordable option for buying insurance.<sup>5</sup>

In the interest of preventing structures from being damaged or destroyed in severe weather events, maintaining the safety and soundness of our banking and lending systems, protecting the financial health of individuals, households and small businesses across the country, and advancing our longstanding national goal of making homeownership accessible to all, it is imperative that we innovate at this critical juncture<sup>6</sup>.

We have to incentivize, reward and increase the pace and extent of natural hazard risk reduction across the country. We must innovate to moderate the negative impact on Americans of unregulated reinsurance rates, technology-fueled underwriting decisions based on risk scores, AI, predictive models and drone surveillance. We must be a United States that offers its citizens the opportunity to buy into a program through which they can maintain a safety net at a reasonable cost so they don't have to rely on limited charitable or government aid, face financial ruin, or become homeless in the event a disaster damages or destroys their home.<sup>7</sup>

No state in the country is immune from the wave of property insurance non-renewals and premium increases sweeping across our nation. And while most states have one or more government-created property insurance programs of last resort, reinsurance market realities (pricing and limited availability) challenge their ability to sell affordable coverage. Private insurers are similarly challenged by reinsurance pricing and constraints, and non-renewals and sharp price increases are largely tied to that challenge.<sup>8</sup>

The bottom line is that we need the Federal Government's involvement and financial strength to supplement the catastrophic risk capacity that is available through existing government-sponsored plans, publicly-held, mutual, excess and surplus lines insurers, exchanges, captives, and reinsurers. And we need to face the music: Climate change and predictive technology have

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<sup>4</sup> "Climate change is impacting the home insurance industry and damaging the housing market" CNN, Nov. 7, 2023

<sup>5</sup> EXPOSED: A Report on 1.6 Trillion Dollars of Uninsured American Homes

<https://consumerfed.org/reports/exposed-a-report-on-1-6-trillion-dollars-of-uninsured-american-homes/>

<sup>6</sup> <https://uphelp.org/bach-talk-an-insured-future-depends-on-bold-public-private-innovation/>

<sup>7</sup> <https://uphelp.org/home-insurance-availability-affordability-and-quality-is-shrinking-states-and-the-feds-must-coordinate-and-take-action-to-protect-homeownership-in-the-us/>

<sup>8</sup> "As Insurers Around the U.S. Bleed Cash From Climate Shocks, Homeowners Lose", New York Times, May 13, 2024.

reduced the amount of private capital that insurers and reinsurers are willing to invest in underwriting real property risks.

The approach this bill takes should not lead to a “states versus feds” debate. It should lead to an “all for one” not-for-profit approach that engages insurers and reinsurers’ expertise and resources but fills in the coverage affordability and availability gaps they’ve created without unduly burdening taxpayers. Just as we’ve established Federal programs for insuring crops, terrorism and flood risk, we need to establish a Federal program that pools and spreads natural disaster risk, facilitates mitigation and resiliency, and provides essential protection for American homes.

The Federal Government is already supporting risk reduction in communities via infrastructure, flood control and public property improvements, and an increasing number of states have impactful programs such as My Safe Florida Home, Strengthen Alabama Homes and the California Earthquake Authority’s Brace and Bolt program. The important risk reduction innovation being facilitated by the North Carolina Coastal Property Insurance Pool and Smart Home America is leading to significant improvements in those state’s insurance markets thanks to their mitigation programs, insurance incentives and premium discounts.

We have ample models of hybrid (public and private) insurance programs of last resort to look to, and while none may be the panacea recipe, we’re not starting from scratch.

For the above reasons, United Policyholders strongly supports H.R. 6944 and looks forward to working with your office to advance the measure.

Sincerely,



Amy Bach  
Executive Director