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## Disaster Recovery: We're All in It Together

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Flooded subway stations in New York City. Earthquake damage in the Nation's Capital. The great American city of New Orleans submerged under water.

These scenes, once seemingly out of science fiction, are all too real to Americans today. Natural disasters threaten all Americans -- urban and rural, East and West, Republican and Democrat -- with increasing frequency and intensity. Since we cannot stop these disasters, it's time for serious national action to reduce the costs they impose.

Rising catastrophic risks have imperiled homeowners and regional economies by causing drastic increases in insurance premiums and compelling insurance companies to drop hundreds of thousands of customers' coverage. Cases of cancellation or non-renewal have become common in states from Florida to Texas to New Jersey to Massachusetts. In earthquake-prone California, upwards of 80 percent of homeowners lack earthquake insurance due to factors including excessive premiums.

As this week's \$17 billion Hurricane Sandy relief bill in Congress demonstrates, natural disasters are taking a toll on taxpayers. Federal aid following catastrophic events has contributed significantly to our nation's budget deficits. At the state level, Florida taxpayers spend a quarter of a billion dollars annually just for the option to borrow money if a severe catastrophe strikes.

In an age in which disaster can strike anywhere, communities near and far should stand together. We can drastically reduce the costs of insuring

against catastrophes through a simple principle: sharing risk.

This is why I am introducing the Homeowners' Defense Act of 2013 in Congress. The bill establishes a national Consortium for state-sponsored insurance funds to voluntarily bundle their catastrophe risk with one another, and then transfer that risk to the private markets through catastrophe bonds and reinsurance contracts. This will strengthen state-sponsored insurance funds and enhance their ability to serve homeowners who are unable to obtain insurance.

I believe this legislation is both compassionate and fiscally responsible: By encouraging states to plan for disasters ahead of time to mitigate impacts and minimize cleanup and recovery costs, the bill will enable the federal government to put an end to costly bailouts for regions struck by natural disasters. Moreover, the program would be strictly voluntary. If North Dakota does not wish to pool its disaster risk with Florida or California, it would face no pressure to join the Consortium or incur any costs. It should come as no surprise that an earlier version of this bill passed the House in a 258-155 vote with significant bipartisan support.

Americans look out for one another. The Homeowners' Defense Act rests on the core ideal that no family, community, city, or state should bear the full burden of a natural disaster alone.