

## House Approves Multiple Peril Insurance

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Taylor Wind/Water Policy Legislation included as Provision in Flood Insurance Reform and Modernization Act, H.R. 3121

WASHINGTON, DC (September 27) - Today the U.S. House of Representatives approved legislation to provide multi peril insurance sponsored by Congressman Gene Taylor (D-MS) to allow property owners to purchase wind and flood coverage in a single policy.

The text of the Taylor bill (H.R. 920) was included as a provision within a measure introduced by Congresswoman Maxine Waters (D-California), H.R. 3121, the Flood Insurance Reform and Modernization Act. The bill passed by a vote of 263-146.

"Passage of this legislation will ensure that in future disasters homeowners won't have to hire lawyers, engineers, and public adjusters to prove what damage was caused by wind and what was caused by flooding," Taylor said.

Since Hurricane Katrina, the federal government has paid more than \$30 billion for housing repair grants, FEMA trailers, rental assistance, subsidized loans, tax deductions, and other housing assistance. Taylor stated, "A significant amount of these costs could have been covered by insurance. Every taxpayer in America will benefit when much more damage is covered by insurance premiums rather than by costly and inefficient disaster assistance programs."

The House also approved two related amendments offered by Rep. Taylor. One amendment would correct an inequity in current insurance law that has contributed to the severe shortage of apartment buildings and rental housing in Mississippi and Louisiana.

The second Taylor amendment

prohibits insurance companies that contract with the National Flood Insurance Program (NFIP) from using Anti-Concurrent Causation language in their own policies to exclude coverage of wind damage solely because flooding also contributed to the damage. This amendment adds to the contract a statement that the insurance company has a fiduciary responsibility to federal taxpayers and will act in the best interests of NFIP. It requires companies to provide written guidance to their agents and adjusters of this obligation.

The House also rejected a procedural motion which would effectively kill the Taylor multi-peril insurance provision. This "motion to recommit" was offered by Rep. Michele Bachmann (R-MN), and was rejected by a vote of 179 yeas and 232 nays.

Taylor added, "I thank Speaker Pelosi, House Financial Services Committee Chairman Frank, Subcommittee Chairs Waters and Watt, for their steadfast assistance in passage of this vital legislation. I also am grateful for the support of the National Association of Home Builders, the National Association of Realtors, and the American Banking Association."