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EDITORIAL

Ensuring fairness

Our position: The federal government should add wind coverage to its flood policies.

October 8, 2007

A major reform of the way homeowners get reimbursed after destructive storms is making its way through Congress, and guess what?

The insurance industry opposes it.

Anyone believing in fair play and a measure of justice should support it.

Enough members of the House did last month. They passed Rep. Gene Taylor's "Multiple Peril Insurance Act," which allows folks who get flood insurance through the federal government to also purchase wind policies from Washington.

What's so special about that? Ask Gulf state residents who'd held federal flood-insurance policies and private wind policies when Hurricane Katrina came ashore. The feds cut billions of dollars in checks. Insurance companies cut excuses.

Time and again they said flooding, not wind, damaged the homes -- and despite evidence to the contrary.

Mr.

Taylor's roof, for example, blew 450 feet from his Mississippi home. But his insurance adjuster claimed no wind damage, blaming Mr. Taylor's losses on flooding. Interesting. Katrina's winds preceded the storm surge by five hours.

The result of the insurers' chicanery?

Policyholders ended up paying billions of dollars over the years in premiums to insurers who, instead of paying claims, passed the buck to the feds.

Now the insurance industry -- and this might be laughable if it weren't so lamentable -- is warning the public that adding wind insurance to the federal flood program will cause huge deficits. And that by offering the insurance more readily, it could land more people and property "in the path of devastating storms." Such caring. Such heart. From the very industry that has caused government to pay out so much after catastrophic storms because it won't honor the policies it writes.

The serve-insurers-first-last-and-always system won't blow over, though, unless the Senate joins the House in its reform. It needs to draft and pass a companion bill.

Sens.

Bill Nelson and Mel Martinez, break out your pens! Florida's got more than 40 percent of the nation's flood-insurance policyholders -- more constituents with more at stake on this than any other state.

Each

senator, in fact, supports letting homeowners buy federal flood and wind policies. But that won't happen unless they kick up a storm and get their peers to stand down the powerful insurance lobby.

Mr.

Martinez, in the minority, sits on the committee reviewing the policy. Mr. Nelson, whose party runs Congress, doesn't sit on the committee but last week urged its chair to give it legs.

Few in the Senate

expect that to happen. But few in the House a short time ago thought Mr. Taylor's bill would pass. Floridians and victims everywhere of property insurers' abuses need the senators' best efforts.