

Washington, DC -- Congressman Vern Buchanan (R-FL) helped pass legislation today to bring stability to Florida's property insurance market. The House voted 258-155 for the Homeowners Defense Act (H.R. 3355). The bill includes a national catastrophic fund advocated by Buchanan increase access in Florida to affordable property insurance.

"There is no larger issue in Florida than the high cost of homeowners' insurance," said Buchanan on the floor of the House. "Like many Floridians, my constituents are finding property insurance more expensive and difficult to obtain. Private insurers are bailing out. This bill would encourage stability and bring some much needed relief."

The homeowners defense bill would create a voluntary national catastrophic fund proposed in legislation introduced by U.S. Rep. Ginny Brown-Waite (R-FL) and Buchanan. Under the bill, states that establish their own catastrophic funds would be allowed spread the risk by voluntarily joining a federally chartered consortium that would issue bonds sold on the private market to finance the program. The bill would help ensure states have enough capital to cover claims regardless of the magnitude or frequency of disasters by allowing them to borrow money from the federal government if they are not fully funded or to help recover from a major disaster. Finally, by giving states more options to better prepare for and recover from a natural disaster; the bill saves taxpayer dollars that would otherwise go to disaster relief and recovery.

Buchanan noted, "Over the past five years, Florida's homeowners have seen insurance rates rise on average by 77 percent. Skyrocketing insurance is hurting the middle-class and it is damaging our real estate market and economy. This bill would encourage insurance companies to write policies that working families and small businesses can afford."

In addition to supporting the Homeowners Defense Act, Buchanan is an original cosponsor the Homeowners Insurance Protection Act", which was introduced by Brown-Waite to encourage states to create a federal reinsurance catastrophic fund as a federal backstop for future disasters.