



# ISSUES

## Natural Disaster Legislation

Updated March 2009

**PIA supports a coordinated natural disaster catastrophe program that covers commercial and residential property and does not compete with the private sector's capacity to provide insurance.**

- Insurers should be allowed to price policies according to risk.
- Any catastrophe program should be designed as a public-private collaborative effort, involving participation by states and local governments.
- Comprehensive natural disaster legislation cannot be fully addressed by combining it with other forms of catastrophic events, such as flood insurance or terrorism insurance.
- PIA supports the availability, affordability and stability of property insurance in catastrophe prone areas for the economic viability of local communities.

**Natural disasters affect every area of the United States.** Although hurricane damage has been at the forefront of the discussion on natural disasters, the reality is that severe damage can be caused by a myriad of disasters. This is a nationwide concern, not a regional problem.

PIA is encouraged by the attention this issue is receiving in the United States Congress. In addition, the National Association of Insurance Commissioners (NAIC) and the National Conference of Insurance Legislators (NCOIL) have been discussing comprehensive national plans for managing natural catastrophes. Both the NAIC and NCOIL support the creation of a multi-layered state and federal system to augment the private insurance market in locations where support is necessary.

PIA continues its work with states and the private sector insurance industry to support open and stabilized insurance markets in all affected areas in order to foster economic recovery. We will continue to work with interested parties to craft legislation that meets the needs of the affected states and consumers.

For additional information on this issue, please contact PIA's federal affairs department.