

For Immediate Release

Contact: Taylor Bennett  
(202) 312-1090  
[www.SmartNatCat.org](http://www.SmartNatCat.org)

**New Homeowners Insurance and Mitigation Assistance Act Endorsed by  
Americans for Smart Natural Catastrophe Policy**

***Tax Credits for Damage Prevention Will Keep Residents and Businesses Safe While  
Helping to Protect the Environment***

Washington, D.C., August 1 2008 – Americans for Smart Natural Catastrophe Policy, a national coalition of environmental, consumer, taxpayer, free market and insurance organizations, today urged Congress to pass the Homeowners Insurance and Mitigation Assistance Act of 2008, a new bill introduced in the U.S. House of Representatives that will create economic tax credits for residents and business owners who strengthen their properties to prevent damage in the event of a natural disaster. U.S. House of Representatives Committee on Homeland Security Chairman Bennie Thompson (D-MS) introduced the bill, which complements the Property Mitigation Assistance Act (H.R. 6762) he introduced earlier this summer to establish a homeowner mitigation loan program within the Federal Emergency Management Agency to promote pre-disaster property mitigation measures.

“With climate science warning we can expect more severe impacts of coastal storms from global warming and sea-level rise, it only makes sense to provide targeted tax incentives for residents and businesses to increase safeguards to their properties from the ravages of coastal storms,” said David Conrad, Senior Water Resources Specialist at the National Wildlife Federation, a member organization of Americans for Smart Natural Catastrophe Policy. “Not only will this help protect lives, reduce property losses and the costs of disaster relief and reduce insurance costs, it will also reduce coastal environmental damage that often follows destructive impacts on our built environment. These tax incentives are a key element in a meaningful strategy to make our communities and our coastal environment safer and healthier.”

The Homeowners Insurance and Mitigation Assistance Act of 2008 will amend the Internal Revenue Code of 1986 to provide tax credits up to \$500 to certain coastal state homeowners who face higher insurance premiums related to hurricane risk. The bill also created tax credits up to \$5,000 for qualifying homeowners and business owners who improve their property as a means to reduce damages in the event of natural catastrophes.

“Homeowners should be provided with creative, market-based solutions instead of ill-conceived and ineffective government programs,” said Thomas Schatz, President, Council for Citizens Against Government Waste, another member organization of Americans for Smart Natural Catastrophe Policy. “Rep. Thompson’s appeal for coastal mitigation and home strengthening strategies is a responsible alternative to policies that will put taxpayers at financial and physical risk, such as creating federal backstops for state-funded insurance programs or adding wind insurance coverage to the National Flood Insurance Program.”

The Institute of Business and Home Safety has estimated that every dollar invested in mitigation yields four to seven times that amount in savings. Furthermore, a recent study by the Multihazard Mitigation Council reinforced that notion showing that each dollar spent on

mitigation saves society an average of four dollars, with positive benefit-cost ratios for all hazard types studied.

Americans for Smart Natural Catastrophe Policy cites Chairman Thompson's bills as environmentally-responsible and fiscally-sound alternatives to H.R. 3355, the Homeowners' Defense Act, which would create a federal natural catastrophe backup fund, and to the Taylor Amendment to H.R. 3121, the Flood Insurance Reform and Modernization Act, which would add wind coverage to the National Flood Insurance Program. Both H.R. 3355 and H.R. 3121 passed the House in 2007. The coalition endorsed Chairman Thompson's approach because it serves to promote public safety without creating a massive federal bailout program or financially overwhelming the National Flood Insurance Program (NFIP).

Americans for Smart Natural Catastrophe Policy strongly opposes legislative proposals, such as the House-passed H.R. 3355 and the Taylor Amendment to H.R. 3121, that would encourage people to build homes in hurricane-prone, environmentally-sensitive areas by creating new programs to directly or indirectly subsidize their homeowner's insurance. Proposals calling for the federal government to play a new and expanded role in natural catastrophe insurance would cost Americans throughout the country tens of billions of their tax dollars to subsidize homeowners living in Florida and other hurricane prone states. These proposals undermine public safety by giving individuals an incentive to build homes in coastal areas that may be increasingly at risk given the potential for adverse effects of climate change. Moreover, adding wind coverage to the NFIP, a program that is already \$18 billion in debt, would unnecessarily burden all taxpayers by using their tax dollars to subsidize homeowners in catastrophe-prone, environmentally-sensitive areas, and ultimately discourage the provision of wind insurance by the private sector.

For more information about the Homeowners Insurance and Mitigation Assistance Act, as well as the other legislation being considered in Congress, visit [www.smartnatcat.org](http://www.smartnatcat.org).

###

#### **About Americans for Smart Natural Catastrophe Policy**

Americans for Smart Natural Catastrophe Policy is a national coalition made up of a diverse set of voices united to support environmentally-responsible and fiscally-sound approaches that promote public safety. The Coalition strongly opposes legislative proposals that encourage people to build homes in hurricane-prone, environmentally-sensitive areas by creating new programs that directly or indirectly subsidize their homeowner's insurance.

This spring, a letter was sent to all 100 members of the U.S. Senate urging opposition to any amendments to expand the National Flood Insurance Program (NFIP), which already is \$18 billion in debt, to include wind damage or to create new federal natural catastrophe loan, insurance or reinsurance programs. Those signing the letter were: Consumer Federation of America, American Consumer Institute, Defenders of Wildlife, Environmental Defense, Friends of the Earth, National Wildlife Federation, Republicans for Environmental Protection, Association of State Floodplain Managers, Americans for Prosperity, Council for Citizens Against Government Waste, Competitive Enterprise Institute, FreedomWorks, Taxpayers for Common Sense, Association of Bermuda Insurers and Reinsurers, Reinsurance Association of America, and Professional Insurance Agents.

To learn more about the Coalition and its members, or to access information and research studies about the legislation, visit [www.smartnatcat.org](http://www.smartnatcat.org).