

State Of Florida

RESOLUTION

WHEREAS, in 1992, Hurricane Andrew resulted in approximately \$20 billion in insured losses, and was previously the costliest catastrophe in the United States. Hurricane Katrina's estimated losses, alone, for the Gulf Coast states were approximately \$41 billion; and

WHEREAS, during the 2004 and 2005 hurricane seasons, the State of Florida was devastated by eight hurricanes and four tropical storms, causing approximately \$35 billion in estimated gross probable insurance losses; and

WHEREAS, billions of dollars in taxpayer-supported government assistance will be paid to help rebuild following catastrophic disasters. Policyholders across the United States are in need of a rational insurance mechanism for responding to the economic losses resulting from catastrophic events. The risk of catastrophes must be addressed through a public-private partnership involving individuals, the private industry, local and state governments, and the federal government; and

WHEREAS, the lack of sufficient insurance capacity threatens to increase the number of uninsured homeowners, which, in turn, increases the risk of mortgage defaults and the strain on the Nation's banking system; and

WHEREAS, Florida has taken the necessary preventative measures by creating the Florida Hurricane Catastrophe Fund (FHCF). The FHCF was created to protect and advance the state's interest in maintaining insurance capacity in Florida by providing reimbursements to insurers for a portion of their catastrophic hurricane losses; and

WHEREAS, no state is immune to natural disasters. Hurricanes, earthquakes, tornadoes, typhoons, floods, wildfires, ice storms, and other natural catastrophes continue to affect policyholders across the United States; and

WHEREAS, the unique risks posed by catastrophic natural disasters make it difficult to provide adequate insurance coverage through existing insurance mechanisms.

NOW, THEREFORE BE IT RESOLVED that the Governor and Cabinet of the State of Florida do hereby urge Congress to support a

National Catastrophe Insurance Program

which is necessary to maximize the risk-bearing capacity of the private markets; and provide quantifiable risk management through and for the federal government.

BE IT FURTHER RESOLVED, the Program should address the following concepts:

- 1) Provide consumers with a federal reinsurance program that covers all-perils, and promotes stability in the homeowners' insurance market.
- 2) Mitigate future economic damages and raise the bar for disaster preparedness and recovery by encouraging states to adopt stronger building codes and emergency response capabilities in order to participate in the plan.
- 3) Create the National Catastrophe Insurance Program to improve the availability of homeowners' insurance for the purpose of facilitating the pooling, and spreading the risk of catastrophic financial losses from natural disasters and to improve the solvency of homeowners' insurance markets.

IN TESTIMONY WHEREOF the Governor and Cabinet of the State of Florida have hereunto subscribed their names and have caused the Official Seal of the State of Florida to be hereunto affixed in the City of Tallahassee on this 17th day of July, 2007.

CHARLIE CRIST
GOVERNOR

BILL MCCOLLUM
ATTORNEY GENERAL

ALEX SINK
CHIEF FINANCIAL OFFICER

CHARLES H. BRONSON
COMMISSIONER OF AGRICULTURE