

**CONGRESSMAN ALAN GRAYSON**  
**STATEMENT FOR THE RECORD**

Approaches to Mitigating and Managing Natural Catastrophe  
Risk: H.R. 2555, The Homeowners' Defense Act

I would like to take a moment to thank my colleague, and fellow Floridian, Mr. Klein, on his tireless efforts toward meaningful and effective natural catastrophe insurance reform. I am happy to be an original cosponsor of H.R. 2555, the Homeowner's Defense Act of 2009, because this legislation will help stabilize insurance markets, while concurrently reducing the costs and improving the availability of homeowner's insurance.

With nearly 50 percent of the total U.S. population living within 50 miles of coastline, it is essential that we identify how vulnerable much of the U.S. coastal populations have become. I come from a community, and a state, that is no stranger to frequently changing, increasingly intense, and unpredictable weather patterns. Florida, with a population of more than 15 million, and a coastline stretching 1,200 miles, has been the most vulnerable state in the country in regards to hurricane or tropical storm activity, nearly doubling any other state in the total number of hurricanes and major storms on record since 1851.

With insurance markets responding adversely to such catastrophes as hurricanes and flooding, adequate and affordable coverage is often lacking, and sometimes completely unavailable or unattainable for those who need coverage most. Take the citizens of Ocoee, Florida, a suburban and hard-working community in my district, for example. Just recently FEMA revisited the Ocoee area for mapping purposes, and found that an area previously mapped had changed in elevation by 1.5 feet. This 18 inch shift in topography effectively landed 2,400 Ocoee residents in the middle of a flood plain. Residents received notification of this newly acquired status not from FEMA, but from their various local mortgage companies when they informed homeowners that they had 45 days to come up with up to \$5,000 to insure their homes. This is unacceptable.

By restricting the supply of natural catastrophe insurance and raising the price of the limited coverage that is available, far too many people are left exposed to potentially devastating damages and property loss. I believe that the Homeowners Defense Act will help provide an efficient and cost-effective solution to this problem. The Homeowner's Defense Act can be a vehicle of significant and necessary industry reform through efficient catastrophe risk transfer practices that will require States to maintain reasonable underwriting procedures, and make them eligible to pool their risk of natural disasters.

What I was especially pleased to see included in this bill, is the public education of mitigation strategies necessary to prepare and respond to natural catastrophes. As a Representative from Florida, I have remained dedicated to strengthened hurricane and flooding policy, and I believe that hurricane R&D and mitigation strategies are a necessary component in safety and the prevention of costly property damage. By increasing the focus on hurricane research, including the understanding of storm surges, rainfall, and flooding, we will become able to successfully track storms and improve our catastrophe preparation and response mechanisms.

As someone who understands the seriousness of natural catastrophes and the life altering damages and costs that they can incur, I am asking my colleagues to support H.R. 2555, which is an important step forward in providing the adequate and affordable coverage and education necessary to protect vulnerable homeowners.