

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. CON. RES. 267

Expressing the sense of the Congress that the Federal Government should develop a comprehensive program regarding natural disasters, require individuals and businesses in disaster prone areas to purchase insurance for natural disasters, and create a Federal reinsurance program to minimize the associated risks to insurance companies.

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IN THE HOUSE OF REPRESENTATIVES

JULY 19, 1994

Mr. BURTON of Indiana submitted the following concurrent resolution; which was referred to the Committee on Banking, Finance and Urban Affairs

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## CONCURRENT RESOLUTION

Expressing the sense of the Congress that the Federal Government should develop a comprehensive program regarding natural disasters, require individuals and businesses in disaster prone areas to purchase insurance for natural disasters, and create a Federal reinsurance program to minimize the associated risks to insurance companies.

Whereas the earthquakes in California on January 17, 1994, caused approximately \$20,000,000,000 in damages and cost 61 people their lives;

Whereas the Federal Government is expected to provide \$7,700,000,000 in assistance to the victims of the California earthquakes;

Whereas the average American taxpayer has paid \$53 to assist the victims of Hurricane Andrew and \$39 to assist the victims of Midwestern floods;

Whereas, in the past 5 years, the Congress has spent \$23,600,000,000 on relief related to natural disasters;

Whereas only 20 percent of the individuals residing in California or the Midwest have adequate insurance coverage for natural disasters;

Whereas fewer than 1 of every 5 of the 110,000,000 Americans who are at risk of damage from earthquakes, hurricanes, or floods buys private insurance for these natural disasters;

Whereas many individuals who are not insured for natural disasters have not purchased the insurance because of its high price;

Whereas requiring more individuals and businesses in disaster prone areas to purchase insurance would cause the cost of insurance to decrease and would allow more individuals and businesses to obtain affordable insurance for natural disasters;

Whereas insurance companies are reluctant to provide insurance to individuals and businesses in many areas that have previously suffered natural disasters;

Whereas the establishment of a Federal reinsurance program would allow companies to provide insurance coverage for natural disasters to individuals and businesses in these areas;

Whereas a Federal reinsurance program would minimize the financial risk to insurance companies that provide insurance coverage for natural disasters to individuals and businesses in these areas;

Whereas a Federal reinsurance program would greatly reduce the total costs the Federal Government must bear for natural disaster relief and the use of Federal tax dollars for natural disaster relief; and

Whereas the Congress has failed to develop a comprehensive solution to problems concerning insurance for natural disasters: Now, therefore, be it

1       *Resolved by the House of Representatives (the Senate*  
2 *concurring)*, That it is the sense of the Congress that the  
3 Federal Government should—

4           (1) with assistance from State and local offi-  
5 cials, develop and implement a comprehensive pro-  
6 gram to prevent further exorbitant spending on as-  
7 sistance relating to natural disasters;

8           (2) require individuals and businesses in areas  
9 that have a high risk of experiencing natural disas-  
10 ters to purchase comprehensive insurance to cover  
11 the high cost of damages resulting from natural dis-  
12 asters such as flooding, earthquakes, and hurricanes;  
13 and

14           (3) create a Federal reinsurance program that  
15 would minimize the financial risk incurred by insur-  
16 ance companies that provide insurance in areas that  
17 have a high risk of experiencing natural disasters.

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