

## **RESOLUTION**

**Expressing the sense of the Southern Governors' Association that Congress should adopt legislation to create a national reinsurance plan in order to provide for the availability of reasonably priced property and casualty insurance from private markets to homeowners throughout the nation.**

Whereas, every state is vulnerable to natural disasters including hurricanes, tornadoes, flooding, earthquakes, blizzards, crop loss and wildfires;

Whereas, there is an increase in the incidence of major catastrophes and their increasingly costly nature;

Whereas, there have been significant insurance and reinsurance shortages, resulting in dramatic rate increases for consumers and businesses, and the unavailability of catastrophe insurance;

Whereas, Hurricanes Katrina, Rita, and Wilma, which struck the United States in 2005, caused over \$200 billion in total economic losses, including insured and uninsured losses;

Whereas, the United States federal government has provided and will continue to provide billions of dollars and resources to help our nation recover from catastrophes, including hurricanes, tornadoes, earthquakes, blizzards and other disasters, at huge costs to American taxpayers;

Whereas, the United States federal government has a critical interest in ensuring appropriate and fiscally responsible risk management and pre-planning for catastrophes through measures such as mitigation and improved building codes;

Whereas, no action has been taken on the multiple proposals that have been introduced in the United States Congress over the past decade to address catastrophic risk insurance, including the creation of a national catastrophic reinsurance fund and the revision of the Federal tax code to allow insurers to use tax-deferred catastrophe funds;

Now, therefore, be it resolved,

That it is the sense of the Southern Governors' Association that:

The United States Congress should adopt legislation to create a reasonably priced national reinsurance program supported by actuarially sound premiums to provide relief to American homeowners and lower insurance premiums.

*Time limited (effective Winter Meeting 2007 through Winter Business Meeting 2009)*