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Senator Reintroduces INSURE ACT to Stabilize Insurance in Disaster-Prone Areas

July 24, 2025

– Categories: Real Estate



U.S. Senator Adam Schiff has reintroduced the INSURE Act, a federal proposal aimed at making homeowners insurance more affordable and accessible in disaster-vulnerable communities, as the country faces mounting insurance crises in wildfire and flood-prone regions.

“Too many families and small businesses are struggling to keep up with the rising costs of insurance,” said Senator Schiff. “In fire zones and flood plains and well beyond, the most

valuable property a family may own is becoming uninsurable. This must be addressed with urgency.”

The move comes in the wake of devastating wildfires in Los Angeles County earlier this year that left thousands of underinsured families unable to rebuild.

The INSURE Act (Insurance Stability and Reinsurance Act) would create a government-backed catastrophic reinsurance program within the U.S. Department of the Treasury. The program is designed to act as a financial backstop for insurance companies facing large-scale disaster losses, in exchange for offering comprehensive coverage to homeowners in high-risk areas.

Under the proposal, participating insurers would share financial risk with the federal government for catastrophes such as wildfires, hurricanes, floods, and earthquakes. The bill also proposes capping insurer liability during extreme events, with thresholds to be determined by the Treasury Secretary and an expert advisory panel.

Insurance companies have been steadily retreating from high-risk markets such as California, Florida, Louisiana, and Texas, states increasingly battered by extreme weather events. After the L.A. wildfires earlier this year, an estimated 75% of affected homeowners were underinsured. Meanwhile, insurers like State Farm have raised premiums sharply, with some states such as Illinois seeing increases of nearly 30%.

Without adequate coverage, families are often unable to rebuild, and buyers may struggle to secure mortgages, putting entire housing markets at risk. Representative Sydney Kamlager-Dove, who supports the legislation, pointed to the human cost: “Thousands of Angelenos lost everything in the recent L.A. fires because their homes weren’t insured, not because they didn’t try, but because it wasn’t available.”

Supporters frame the bill not as a climate measure, but as a necessary step to prevent the collapse of the home insurance market in disaster-prone regions. “As natural disasters become more frequent and severe, families should not be punished with skyrocketing insurance costs or losing their coverage altogether,” said Rep. Salud Carbajal, another co-sponsor of the bill.

However, the bill faces skepticism from industry groups. The Reinsurance Association of America (RAA) warned that the federal program could promote risky development by making

insurance artificially accessible in hazardous zones. “A federal reinsurance program is not needed and would only increase risk,” said RAA President Lee Covington.

The American Property Casualty Insurance Association (APCIA) echoed those concerns, pointing to broader systemic challenges. “Climate change, inflation, legal system abuse, and outdated regulations are all contributing to the insurance crisis,” said Nat Wienecke of APCIA. “A single federal program won’t fix that.”

Still, with nearly one in seven homes in the U.S. now uninsured due to cost or availability, lawmakers say the need for intervention is urgent. The INSURE Act has gained support in several disaster-prone states and may gain traction amid rising bipartisan calls for insurance reform.