

119TH CONGRESS
1ST SESSION

S. 2349

To require the Secretary of the Treasury to establish a catastrophic property loss reinsurance program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 17, 2025

Mr. SCHIFF (for himself and Ms. HIRONO) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To require the Secretary of the Treasury to establish a catastrophic property loss reinsurance program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Incorporating National
5 Support for Unprecedented Risks and Emergencies Act”
6 or the “INSURE Act”.

7 **SEC. 2. DEFINITIONS.**

8 In this Act:

1 (1) ALL-PERILS PROPERTY INSURANCE POL-
 2 ICY.—The term “all-perils property insurance pol-
 3 icy” means a property insurance policy approved by
 4 a State which includes coverage for catastrophe per-
 5 ils as those perils are added to the Program.

6 (2) CATASTROPHE PERIL.—The term “catas-
 7 trophe peril” means the damage caused by—

8 (A) wind, hurricane, wildfire, severe con-
 9 vective storm, and flood as they are added to
 10 the Program under section 3(d);

11 (B) earthquake, conditioned on the report
 12 under section 4(2); and

13 (C) any other peril as determined by the
 14 Secretary and added to the Program.

15 (3) ENGAGED IN THE BUSINESS OF INSUR-
 16 ANCE.—The term “engaged in the business of insur-
 17 ance” means a person or entity that is subject to
 18 oversight by a State insurance department.

19 (4) FUND.—The term “Fund” means the Fed-
 20 eral Catastrophe Reinsurance Fund established
 21 under section 3(i).

22 (5) INSURER.—The term “insurer”—

23 (A) means an admitted or non-admitted in-
 24 surance company licensed or authorized to sell

1 primary property insurance by State insurance
2 regulators; and

3 (B) does not include a reinsurance com-
4 pany or a captive insurance company.

5 (6) PARTICIPATING INSURER.—The term “par-
6 ticipating insurer” means an insurer that is partici-
7 pating in the Program.

8 (7) PROGRAM.—The term “Program” means
9 the catastrophic property loss reinsurance program
10 established under section 3(a).

11 (8) PROPERTY INSURANCE POLICY.—The term
12 “property insurance policy” means a contract of in-
13 surance, through a policy form approved by a State
14 insurance department, that provides, among other
15 coverages, coverage for physical damage to residen-
16 tial or commercial property.

17 (9) SECRETARY.—The term “Secretary” means
18 the Secretary of the Treasury.

19 (10) STATISTICAL PLAN.—The term “statistical
20 plan” means—

21 (A) a description of the data elements to
22 be reported; and

23 (B) the instructions and procedures for ac-
24 curately reporting data.

1 **SEC. 3. CATASTROPHIC PROPERTY LOSS REINSURANCE**
2 **PROGRAM.**

3 (a) IN GENERAL.—Not later than 4 years after the
4 date of enactment of this Act, the Secretary shall establish
5 a catastrophic property loss reinsurance program to pro-
6 vide reinsurance for qualifying primary insurance compa-
7 nies.

8 (b) ELIGIBILITY.—An insurer is qualified to partici-
9 pate in the Program if such insurer—

10 (1) offers an all-perils property insurance pol-
11 icy, as perils are phased in under subsection (d),
12 for—

13 (A) residential property insurance policies;

14 or

15 (B) commercial property insurance policies;

16 and

17 (2) offers a loss prevention partnership with the
18 policyholder to encourage investments and activities
19 that reduce insured and economic losses from a ca-
20 tastrophe peril.

21 (c) CONSULTATION.—The Secretary may contract
22 with reinsurance brokers and consultants to assist the
23 Secretary in the design and management of the Program.

24 (d) PROGRAM PHASE-IN TIMELINE.—The Secretary
25 shall—

1 (1) not later than January 1 of the year begin-
2 ning 4 years after the date of enactment of this Act,
3 operate the Program for the perils of wind and hur-
4 ricane;

5 (2) not later than January 1 of the year begin-
6 ning 5 years after the date of enactment of this Act,
7 operate the Program for the perils of severe convec-
8 tive storm and wildfire;

9 (3) not later than January 1 of the year begin-
10 ning 6 years after the date of enactment of this Act,
11 operate the Program for the peril of flood; and

12 (4) not later than the earlier of January 1 of
13 the year beginning 8 years after the date of enact-
14 ment of this Act or the date on which the feasibility
15 report described in section 4(2) is submitted, operate
16 the Program for the peril of earthquake.

17 (e) THRESHOLD FOR PAYMENT.—

18 (1) IN GENERAL.—The Secretary shall, after
19 consulting with the advisory committee established
20 under subsection (h), establish a financial threshold
21 at which a participating insurer may receive
22 amounts from the fund established under subsection
23 (i).

24 (2) THRESHOLD CALCULATION.—The threshold
25 established under paragraph (1) shall be an amount

1 that is not greater than 40 percent of the probable
2 maximum loss of an individual participating insurer
3 for each catastrophe peril included in the Program.

4 (3) CONSIDERATIONS.—In establishing the
5 threshold described in paragraph (1), the Secretary
6 shall consider—

7 (A) the amount of reinsurance necessary to
8 meaningfully reduce the cost to the partici-
9 pating insurer to—

10 (i) provide coverage for catastrophe
11 perils covered by the Program; and

12 (ii) encourage States to require par-
13 ticipating insurers to offer an all-perils
14 property insurance policy;

15 (B) the levels of primary insurer retention
16 and private reinsurance market capacity nec-
17 essary to—

18 (i) promote stable and competitive
19 markets for catastrophe reinsurance; and

20 (ii) incentivize the establishment by
21 private parties of capital market alter-
22 natives to reinsurance, for example the cre-
23 ation of a market for catastrophe bonds;
24 and

1 (C) the role of the Program in promoting
2 investments by participating insurers that
3 would be aimed at decreasing losses.

4 (f) PREMIUMS.—

5 (1) IN GENERAL.—The Secretary shall require
6 participating insurers to pay a premium to the Sec-
7 retary each quarter.

8 (2) PREMIUM AMOUNT CONSIDERATIONS.—The
9 amount of the premium required under paragraph
10 (1) shall reflect only the following considerations:

11 (A) The expected average annual losses for
12 the participating insurer under the specific
13 terms of the reinsurance coverage, as calculated
14 by the Secretary based on the exposure of the
15 participating insurer.

16 (B) The administrative costs to administer
17 and manage the Program.

18 (C) A trend factor to account for increases
19 over time in the cost of average annual losses
20 for participating insurers, as determined by the
21 Secretary.

22 (3) CONSULTATION.—The Secretary shall con-
23 sult with the advisory committee established under
24 subsection (i) when establishing premium amounts

1 and may contract for services to assist in the estab-
 2 lishment of premium amounts.

3 (4) MINIMUM PREMIUM REQUIRED.—The Sec-
 4 retary may not establish any premium that is less
 5 than 50 percent of the amount equal to the sum of
 6 the—

7 (A) expected average annual losses for the
 8 participating insurer, as calculated by the Sec-
 9 retary based on the exposure of the partici-
 10 pating insurer; and

11 (B) administrative costs to administer and
 12 manage the Program.

13 (5) PREMIUM ADJUSTMENTS.—The Secretary
 14 shall adjust premiums each quarter for each partici-
 15 pating insurer to reflect material changes in the ex-
 16 posure of the participating insurer.

17 (6) PREMIUM INCREASES.—Excluding any ad-
 18 justment made under paragraph (5), the Secretary
 19 may increase premiums for a participating insurer
 20 not more than 7 percent annually.

21 (g) LOSS PREVENTION PARTNERSHIPS.—

22 (1) IN GENERAL.—The Secretary, in coordina-
 23 tion with the advisory committee established under
 24 subsection (h), State insurance agencies, and State
 25 and Federal emergency management agencies, shall

1 develop a list of activities that qualify as loss preven-
 2 tion partnerships for purposes of this section, which
 3 may include the following activities:

4 (A) Participating insurers identifying loss
 5 prevention steps that make properties eligible
 6 for coverage or renewal.

7 (B) Participating insurers making coverage
 8 contingent upon the implementation of a loss
 9 prevention activity by a potential insured party.

10 (2) ACTIVITIES EXCLUDED FROM LOSS PRE-
 11 VENTION PARTNERSHIPS.—The Secretary, State in-
 12 surance agencies, and State and Federal emergency
 13 management agencies may not include the following
 14 activities as loss prevention partnerships for pur-
 15 poses of this section:

16 (A) The provision of an insurance pre-
 17 mium discount for an investment by an insured
 18 party or potential insured party in an activity
 19 designed to reduce the losses of the partici-
 20 pating insurer, absent an investment by the
 21 participating insurer.

22 (B) The provision of general information
 23 about loss prevention.

24 (h) ADVISORY COMMITTEE.—

1 (1) IN GENERAL.—The Secretary shall establish
2 an advisory committee to advise the Secretary with
3 respect to the Program.

4 (2) MEMBERSHIP.—The committee established
5 under paragraph (1) shall include the following
6 members:

7 (A) 5 members representing consumer or-
8 ganizations engaged in fair housing, insurance,
9 environmental, climate, and technology advo-
10 cacy.

11 (B) 3 members selected from individual
12 primary insurance companies selling property
13 insurance policies, including one large national
14 insurer, 1 medium sized regional insurer, and 1
15 small insurer.

16 (C) 1 global reinsurer active in United
17 States property insurance markets.

18 (D) 1 domestic-focused reinsurer active in
19 United States property insurance markets.

20 (E) 2 insurance regulators from a State of
21 the United States, a territory or possession of
22 the United States, or the District of Colombia.

23 (F) 2 State legislators who—

1 (i) serve on State legislative commit-
2 tees with oversight over insurance matters;
3 and

4 (ii) are not employed directly or indi-
5 rectly by any person or organization en-
6 gaged in the business of insurance.

7 (G) 2 members selected from independent
8 insurance agents who serve traditionally under-
9 served areas.

10 (H) 1 representative from a mortgage
11 lender.

12 (I) 1 representative from a bank.

13 (J) 1 representative from each of the fol-
14 lowing agencies:

15 (i) The Department of Housing and
16 Urban Development.

17 (ii) The Department of Health and
18 Human Services.

19 (iii) The Federal Housing Finance
20 Agency.

21 (iv) The Department of Veterans Af-
22 fairs.

23 (v) The Department of Agriculture.

24 (vi) The Federal Emergency Manage-
25 ment Agency.

1 (vii) The Office of Management and
2 Budget.

3 (viii) The Environmental Protection
4 Agency.

5 (K) 1 representative from the Financial
6 Stability Oversight Council.

7 (i) FEDERAL CATASTROPHE REINSURANCE FUND.—

8 (1) IN GENERAL.—The Secretary shall establish
9 the Federal Catastrophe Reinsurance Fund to hold
10 and invest premiums paid by participating insurers.

11 (2) ISSUANCE OF NOTES AND BONDS.—

12 (A) IN GENERAL.—If amounts in the Fund
13 are insufficient to pay obligations to partici-
14 pating insurers, the Secretary shall issue notes
15 and bonds under this paragraph, the proceeds
16 of which shall be used for payment obligations
17 to participating insurers.

18 (B) TERMS.—Notes and bonds issued
19 under this paragraph shall be—

20 (i) in such form and denominations,
21 and shall be subject to such terms and
22 conditions of issue, conversion, redemption,
23 maturation, and payment as the Secretary
24 may prescribe; and

1 (ii) fully and unconditionally guaran-
 2 teed both as to interest and principal by
 3 the United States, and that guaranty shall
 4 be expressed on the face of each bond.

5 (C) INTEREST.—Notes and bonds issued
 6 under this paragraph shall bear interest at a
 7 rate not less than the current average yield on
 8 outstanding market obligations of the United
 9 States of comparable maturity during the
 10 month preceding the issuance of the obligation
 11 as determined by the Secretary.

12 (D) TREATMENT.—All notes and bonds
 13 issued under this paragraph, and the interest
 14 on credits with respect to those obligations,
 15 shall not be subject to taxation by any State,
 16 county, municipality, or local taxing authority.

17 (E) SATISFACTION.—The Secretary shall
 18 utilize investment revenue from the Fund to
 19 satisfy any notes or bonds issued under this
 20 paragraph.

21 (j) DATA COLLECTION.—

22 (1) IN GENERAL.—The Secretary shall—

23 (A) establish a statistical plan for quar-
 24 terly reporting by participating insurers of pol-
 25 icy-level claim transaction data;

1 (B) consult with the advisory committee
2 established under subsection (h) and the Na-
3 tional Association of Insurance Commissioners
4 with respect to—

5 (i) the contents of the statistical plan;

6 and

7 (ii) the method of data collection;

8 (C) collect quarterly reports from each par-
9 ticipating insurer that include—

10 (i) a description of all exposures cov-
11 ered by the Program at the time of the
12 submission of the report; and

13 (ii) a list of the type and amount of
14 all claims made in the previous quarter;

15 (D) in a manner that does not risk public
16 disclosure of personally identifiable information
17 of policyholders, provide the quarterly reports
18 received under subparagraph (C) to—

19 (i) the Director of the Office of Fi-
20 nancial Research to assess risk to—

21 (I) the financial stability of the
22 United States; and

23 (II) international financial sys-
24 tems arising from United States prop-
25 erty insurance markets, including lack

1 of available property insurance or in-
2 adequate coverage from property in-
3 surance;

4 (ii) the Director of the Federal Insur-
5 ance Office to assess the risks to the finan-
6 cial stability arising from under-insurance
7 of property insurance policies covering ca-
8 tastrophe perils, including in traditionally
9 underserved insurance markets;

10 (iii) the head of the department of in-
11 surance in each State; and

12 (iv) any other Federal, State, or local
13 government entity that, as determined by
14 the Secretary, is related to—

15 (I) catastrophe loss prevention,
16 mitigation, or recovery; or

17 (II) the promotion of competitive
18 property insurance markets; and

19 (E) make the data collected under this
20 paragraph available online in a manner that
21 does not risk public disclosure of personally
22 identifiable information of policyholders.

23 (2) CONTRACTING WITH A STATISTICAL
24 AGENT.—

1 (A) IN GENERAL.—The Secretary shall
 2 contract with a statistical agent via a competi-
 3 tive bidding process to collect and review the
 4 data under this subsection for accuracy and
 5 completeness.

6 (B) OFFICE OF FINANCIAL RESEARCH AS
 7 THE STATISTICAL AGENT.—If the Secretary is
 8 unable to identify a qualified statistical agent
 9 for collection of data under this subsection, the
 10 Director of the Office of Financial Research
 11 shall establish a data collection infrastructure
 12 for collection of such data.

13 **SEC. 4. REPORTS ON RELOCATION FUND AND EARTH-**
 14 **QUAKE COVERAGE.**

15 The Secretary shall—

16 (1) not later than 2 years after the date of en-
 17 actment of this Act, submit to Congress a report on
 18 the feasibility of establishing a fund to relocate
 19 homes and businesses that have become uninsurable
 20 due to catastrophe perils; and

21 (2) not later than 3 years after the date of en-
 22 actment of this Act, submit to Congress a report on
 23 the feasibility of including earthquakes as a peril
 24 covered under the all-perils property insurance pol-
 25 icy.

1 **SEC. 5. LONG-TERM POLICY PILOT PROGRAM.**

2 (a) IN GENERAL.—The Secretary shall, in consulta-
 3 tion with States and the National Association of Insurance
 4 Commissioners, establish a pilot program for all-perils
 5 property insurance policies, as perils are phased in under
 6 section 3(d), with a policy term of at least 5 years (in
 7 this section referred to as a “multi-year policy”).

8 (b) PREMIUM AND POLICY CONDITIONS.—An insurer
 9 who participates in the pilot program established under
 10 this section may—

11 (1) increase premiums based on—

12 (A) price indexes of construction costs;

13 (B) changes in home value; and

14 (C) optional coverages selected by the pol-
 15 icyholder;

16 (2) not increase premiums based on a change in
 17 the assessment by the insurer of the catastrophe
 18 peril risks associated with the insured property;

19 (3) require property maintenance consistent
 20 with the condition of the property at time of initial
 21 policy issuance; and

22 (4) require loss mitigation investment partner-
 23 ships as a condition for the multi-year policy.

24 (c) ACTIONS BY THE POLICYHOLDER.—

25 (1) POLICY CONTINUATION.—With the agree-
 26 ment of the insurer, a consumer purchasing the

1 property during the term of the multi-year policy
2 may continue the policy for the remainder of the
3 term.

4 (2) ELECTION TO NEW INSURER.—If the policy-
5 holder elects to move to a new insurer during the
6 term of the multi-year policy, the new insurer may
7 take into account loss mitigation investment partner-
8 ships with the prior insurers in rate setting.

9 (3) CANCELLATION BY POLICYHOLDER.—If the
10 policyholder is the recipient of any funds for loss
11 prevention property improvements from the insurer,
12 Federal, State, local government, or other source
13 and the policyholder cancels the policy before the
14 end of the multi-year policy term, the policyholder
15 shall return a pro-rata share of such improvement to
16 the source of the funds.

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