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United States Senate

WASHINGTON, DC 20510-3204

March 7, 2008

The Honorable Christopher J. Dodd
Chairman
Committee on Banking, Housing and Urban Affairs
United States Senate
534 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Dodd:

As we continue to move toward Senate consideration of the Flood Insurance Reform and Modernization Act, I would appreciate your attention to an issue of great concern to me, my constituents in New York and homeowners everywhere.

Homeowners throughout the country are increasingly facing the catch 22 of either losing access to catastrophic and homeowners insurance because the private insurers are pulling up stakes and leaving markets altogether or facing skyrocketing premiums that are prohibitive to many working families. These failures of the private insurance market are occurring in many coastal communities including my State of New York, where two major insurers have announced their plans to significantly withdraw their coverage leaving thousands of my constituents with few or no options to insure themselves against catastrophic events.

These circumstances are not unique to New York, which is why I believe the Senate should take action to ensure that there is a stabilization of the catastrophe insurance market nationwide and that the 50 percent of Americans who live within 50 miles of a coast line can continue to have access to affordable and reliable insurance that will cover all perils, including those damages incurred by hurricanes.

We have a good opportunity with the consideration of the Flood Insurance Reform and Modernization Act in the Senate to include sound and practical proposals that will help us achieve the above mentioned goals immediately. In particular, I believe that the provisions included in the House version of the Flood Insurance Reform and Modernization Act that allow "wind" coverage through the National Flood Insurance Program, should merit our consideration and support. Congressman Gene Taylor and others have offered a sound and responsible proposal that according to the CBO, would have "no significant net budgetary impact" while providing an effective and workable solution for homeowners. While there will continue to be a debate about the most effective approach to the current problem, it is clear that the multi-peril coverage provisions, when coupled with the effective reforms of the NFIP included in the underlying bill, would help provide an immediate option for the millions of American homeowners that are facing dwindling choices for insurance coverage.

While I will continue to push for the Senate's consideration of innovative and new ways to bring long term stability to the insurance market such as my legislation with Senator Bill Nelson, and championed in the House by Congressmen Ron Klein and Tim Mahoney, the Homeowners Defense Act, I urge your close consideration of the multi-peril provisions included in the House NFIP reform bill when it comes to the Senate.

Sincerely yours,

A handwritten signature in blue ink that reads "Hillary Rodham Clinton". The signature is written in a cursive, flowing style with a long horizontal flourish at the end.

Hillary Rodham Clinton