

The Multiple Peril Insurance Act of 2007 (H.R. 920)

Gene Taylor's bill, the Multiple Peril Insurance Act (H.R. 920), would allow the National Flood Insurance Program (NFIP) to offer optional coverage for wind events. The bill requires premiums for the new optional coverage to be risk-based and in keeping with accepted actuarial principles.

Multiple peril policies would be available where local governments agree to adopt and enforce building codes and standards designed to minimize wind damage, in addition to the existing flood program requirements for flood plain management.

The bill would set residential policy limits at \$500,000 for the structure and \$150,000 for contents and loss of use. Nonresidential properties could be covered to \$1,000,000 for structure and \$750,000 for contents and business interruption. Taylor anticipates that once the program is enacted, a private market should quickly develop for additional coverage above the NFIP limits.