

AMENDMENT TO H.R. 1309, AS REPORTED
OFFERED BY MR. SCOTT OF VIRGINIA

Page 70, after line 5, insert the following new section:

1 **SEC. 27. STUDY OF ALL-PERIL INSURANCE COVERAGE FOR**
2 **RESIDENTIAL PROPERTIES.**

3 (a) STUDY.—The Comptroller General of the United
4 States shall conduct a study to determine various means
5 and methods by which a market could be established, and
6 the effectiveness and feasibility of each such means and
7 method, for providing all-peril insurance coverage for resi-
8 dential properties. Such study shall analyze and deter-
9 mine, for only residential properties with mortgages in-
10 sured under the FHA mortgage insurance programs of the
11 Secretary of Housing and Urban Development, and for all
12 residential properties—

13 (1) whether a viable insurance market could be
14 established, including by establishment of a Federal
15 program for reinsurance for such all-peril insurance
16 coverage and by other means and methods;

17 (2) the effects of each such means and method
18 of establishing such a market in facilitating and en-
19 couraging the private insurance market to develop

1 and offer all-peril insurance products for residential
2 properties;

3 (3) the cost of such all-peril insurance coverage
4 for various types of residential properties; and

5 (4) the effects that requiring such insurance
6 coverage would have on prices for existing housing
7 and for housing constructed in the future.

8 (b) REPORT.—Not later than the expiration of the
9 12-month period beginning on the date of the enactment
10 of this Act, the Comptroller General shall submit to the
11 Congress a report describing the study conducted pursu-
12 ant to subsection (a) and the analysis conducted under
13 such study, and setting forth the results and determina-
14 tions of the study.

15 (c) ALL-PERIL INSURANCE.—For purposes of this
16 section, the term “all-peril insurance” means, with respect
17 a residential property, insurance coverage meeting the fol-
18 lowing requirements:

19 (1) SUBSTANTIAL DEDUCTIBLE.—The coverage
20 is made available subject to a substantial deductible
21 in relation to the amount of coverage provided.

22 (2) COVERED LOSSES.—The coverage covers
23 only damage and losses to the property that—

1 (A) render the property uninhabitable or
2 substantially impair the habitability of the
3 property; and

4 (B) result from any of the following haz-
5 ards—

6 (i) movement of the earth, including
7 earthquakes, shockwaves, sinkholes, land-
8 slides, and mudflows;

9 (ii) water damage, including floods,
10 sewer back-ups, and water seepage through
11 the foundation;

12 (iii) war, including undeclared war
13 and civil war;

14 (iv) nuclear hazards, including explo-
15 sion of nuclear devices and nuclear reactor
16 accidents;

17 (v) governmental action, including the
18 destruction, confiscation, or seizure of cov-
19 ered property by any governmental or pub-
20 lic authority; or

21 (vi) bad repair or workmanship on a
22 property, use of faulty construction mate-
23 rials in a property, or defective mainte-
24 nance to a property.

