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

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

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

(a) STUDY.—The Comptroller General of the United States shall conduct a study to determine various means and methods by which a market could be established, and the effectiveness and feasibility of each such means and method, for providing all-peril insurance coverage for residential properties. Such study shall analyze and determine, for only residential properties with mortgages insured under the FHA mortgage insurance programs of the Secretary of Housing and Urban Development, and for all residential properties—

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

(2) the effects of each such means and method of establishing such a market in facilitating and encouraging the private insurance market to develop
and offer all-peril insurance products for residential
properties;

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

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

(b) REPORT.—Not later than the expiration of the
12-month period beginning on the date of the enactment
of this Act, the Comptroller General shall submit to the
Congress a report describing the study conducted pursuant
to subsection (a) and the analysis conducted under
such study, and setting forth the results and determinations of the study.

(c) ALL-PERIL INSURANCE.—For purposes of this
section, the term “all-peril insurance” means, with respect
to a residential property, insurance coverage meeting the follow-
ing requirements:

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

(2) COVERED LOSSES.—The coverage covers
only damage and losses to the property that—
(A) render the property uninhabitable or substantially impair the habitability of the property; and

(B) result from any of the following hazards—

(i) movement of the earth, including earthquakes, shockwaves, sinkholes, landslides, and mudflows;

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

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

(iv) nuclear hazards, including explosion of nuclear devices and nuclear reactor accidents;

(v) governmental action, including the destruction, confiscation, or seizure of covered property by any governmental or public authority; or

(vi) bad repair or workmanship on a property, use of faulty construction materials in a property, or defective maintenance to a property.