

Letters to the Editor, Published July 18, 2011



National catastrophe fund overdue | July 1, editorial

Making coverage affordable

As noted in this editorial, our nation is not well prepared for the next catastrophic hurricane, but federal taxpayers shouldn't have to bear the burden. And a long-term solution to the coastal insurance crisis is possible.

Through the Travelers Institute, we've combined our expertise with ideas gathered from federal, state and local officials to develop a comprehensive set of principles that we believe addresses the problem of availability and affordability of coastal wind storm insurance. Called the Travelers Coastal Wind Zone Plan, it incorporates regulatory stability, rating transparency, a no-subsidy federal reinsurance mechanism for extreme events, and methods to build stronger homes to better withstand severe wind.

At Travelers, we believe private insurers have a responsibility to put forth ideas to address the complex economic and social issues related to hurricane risk. Private market solutions are needed now to avoid a bailout later.

By no means do we have all the answers, but we hope to foster a dialogue that moves closer to a private market solution to help bring affordable homeowners insurance back to the Gulf Coast and Atlantic Coast regions.

Joan Woodward, executive vice president, Travelers, *Hartford, Conn.*