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Let's Fix Insurance Before the Next Big Hurricane Hits

I applaud the Journal and Jack Nicholson, the chief operating officer of Florida's state-run reinsurer, for raising public awareness of Florida's fiscal vulnerability to catastrophic hurricane losses ("Fiscal Hurricane Season," Aug. 27).

While Florida's situation may be unique, the crisis of availability and affordability of wind-storm insurance applies generally across all the Gulf and Atlantic coastal states. Residents in these states deserve a concerted effort to develop a dependable, private-market solution that doesn't rely on a financial bailout by taxpayers.

At Travelers, we've combined our expertise with ideas gathered from a wide range of policy makers and industry leaders to develop a comprehensive set of principles which we believe address the problem. The Travelers Coastal Wind Zone Plan incorporates regulatory stability, rating transparency, a no-subsidy federal reinsurance mechanism for extreme events, and methods to build stronger homes. By no means do we have all the answers, but we hope to foster a dialogue that moves closer to bringing affordable homeowners insurance back to the coastal regions.

Florida was spared by Hurricane Irene this time, but such good fortune won't last

forever. As all coastal residents have been reminded, we need a private market solution now before the next big windstorm hits.

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