



Strengthen Insurance Markets Through Disaster Mitigation

With natural disasters becoming more frequent and severe, Congress has a crucial role to play in partnership with state insurance regulators to promote community-based mitigation and resilience. Congress can help regulators alleviate affordability and accessibility challenges in property insurance markets by championing sensible mitigation and resilience efforts like those outlined below.

CURRENT CONGRESS

Sponsors and cosponsors current as of 5/1/25

- **Bipartisan, Bicameral Disaster Mitigation and Tax Parity Act of 2025 (S. 336/H.R. 1849)**: exempts from income tax any qualified catastrophe mitigation payments - e.g. fortifying against wind, earthquakes, or wildfires - made through state disaster resilience grant programs.

Senate Sponsor: Sen. Thomas Tillis (R-NC)
Cosponsors: Sens. Alex Padilla (D-CA), Bill Cassidy (R-LA), Adam Schiff (D-CA), John Kennedy (R-LA), John Hickenlooper (D-CO), Ted Budd (R-NC), Amy Klobuchar (D-MN), Roger Wicker (R-MS), Michael Bennet (D-CO), and Jeff Merkley (D-OR)

House Sponsor: Rep. Doug LaMalfa (R-CA)
Cosponsors: Reps. Mike Thompson (D-CA), Gregory Murphy (R-NC), Julia Brownley (D-CA), David Rouzer (R-NC), Danny Davis (D-IL), Scott Fitzgerald (R-WI), Brittany Pettersen (D-CO), Clay Higgins (R-LA), Scott Peters (D-CA), Kevin Mullin (D-CA), Judy Chu (D-CA), Terri Sewell (D-AL), David Valadao (R-CA);
 Cosponsors - Jay Obernolte (R-CA), Deborah Ross (D-NC), and Ken Calvert (R-CA).

- **Bipartisan Disaster Resiliency and Coverage Act of 2025 (H.R. 1105)**: establishes a federal disaster mitigation grant program providing households in disaster-prone areas up to \$10,000 for mitigation projects, excludes state disaster mitigation grants from taxable income, and offers a 30% tax credit for qualified risk reduction activities.

House Sponsor: Rep. Mike Thompson (D-CA)
Cosponsors: Reps. Mike Thompson (D-CA), Gregory Murphy (R-NC), Julia Brownley (D-CA), David Rouzer (R-NC), Danny Davis (D-IL), Scott Fitzgerald (R-WI), Brittany Pettersen (D-CO), Clay Higgins (R-LA), Scott Peters (D-CA), Kevin Mullin (D-CA), Judy Chu (D-CA), Terri Sewell (D-AL), David Valadao (R-CA);
 Cosponsors - Jay Obernolte (R-CA), Deborah Ross (D-NC), and Ken Calvert (R-CA).

- **Bipartisan National Earthquake Hazards Reduction Program Reauthorization Act of 2025 (S. 320)**: reauthorizes and updates the Earthquake Hazards Reduction Act to address nationwide seismic risks, authorizing funding through FY 2028 for FEMA, NIST, NSF, and



USGS to support research and risk reduction efforts, given nearly half the U.S. population could face a damaging earthquake in the next 50 years.

Senate Sponsor: Sen. Alex Padilla (D-CA)
Cosponsors: Sen. Lisa Murkowski (R-AK)

- **Bipartisan, Bicameral Fix Our Forests Act (S. 1462/H.R. 471)**: eases NEPA permitting reviews for wildfire risk reduction projects and limits related lawsuits.

Senate Sponsor: Sen. John Curtis (R-UT)
Cosponsors: Sens. Alex Padilla (D-CA), Tim Sheehy (R-MT), and John Hickenlooper (D-CO)

House Sponsor: Rep. Bruce Westerman (R-AR) *already passed the House*
Cosponsors: 56 members from 28 states including California, Colorado, Georgia, Nevada, Texas, Utah, Virginia, Wisconsin, Alaska, Arizona, Arkansas, Indiana, Kentucky, Maine, Maryland, Michigan, Minnesota, Mississippi, Montana, New Mexico, New York, North Carolina, Oregon, Pennsylvania, South Dakota, South Carolina, Washington, and Wyoming

- **Bipartisan Wildfire Response Improvement Act (H.R. 1393)**: directs FEMA to update regulations and guidance for assistance and mitigation programs to address escalating wildfire risks, including debris removal, emergency measures, drinking water protections, and improvements to benefit-cost analysis for mitigation projects.

House Sponsor: Rep. Greg Stanton (D-AZ)
Cosponsors: Reps. Doug LaMalfa (D-CA) and Jared Huffman (D-CA)

- **Bipartisan FIREWALL Act (S. 1323)**: provides a refundable federal tax credit of up to \$25,000 (covering 50% of eligible costs) for households earning under \$200,000 (phasing out at \$300,000) to fortify homes against natural disasters, like wildfires and floods, using fire-resistant materials, stormwater barriers, and vegetation removal.

Senate Sponsor: Sen. Adam Schiff (D-CA)
Cosponsors: Sen. Tim Sheehy (R-MT)

- **Bipartisan READY Accounts Act (H.R. 440)**: creates a tax-free savings account (like an HSA) for home mitigation and disaster response costs, offering tax deductions on contributions and exempting growth, to reduce disaster recovery expenses, encourage preparedness, and lower insurance premiums.

House Sponsor: Rep. Laura Lee (R-FL)
Cosponsors: Reps. Jared Moskowitz (D-FL), Vern Buchanan (R-FL), Scott Franklin (R-FL), and Gus Bilirakis (R-FL)

- **Bipartisan Flood Insurance Affordability Tax Credit Act (S. 586)**: provides a 33% refundable tax credit to low- and middle-income NFIP policyholders to offset rising premiums and directs Treasury to establish a program for advanced premium payments through direct IRS-to-FEMA transfers, offering immediate relief amid ongoing NFIP reforms.



Senate Sponsor: Sen. Bill Cassidy (R-LA)
Cosponsors: Sen. Corey Booker (D-NJ)

- **Extends the National Flood Insurance Program through December 31, 2026 (S. 1015):** extends the NFIP through December 31, 2026, to provide long-term stability for over 4.7 million policyholders and allow Congress time to pursue meaningful reforms.

Senate Sponsor: Sen. Bill Cassidy (R-LA)
Cosponsors: Sen. John Kennedy (R-LA)

- **Restoring Competitive Property Insurance Availability Act (H.R. 1070):** offers insurers tax deductions on income earned in disaster-affected areas for five years following a federally declared disaster.

House Sponsor: Rep. Clay Higgins (R-LA)

PAST CONGRESSES

- **Bicameral, Bipartisan Shelter Act (S. 2106/H.R. 4305) 118th Cong. (2023):** provides a 25% federal tax credit (up to \$2,500 per taxpayer) for qualifying disaster mitigation expenses to encourage homeowners and small businesses to invest in protective measures such as strengthening roofs, elevating housing units, and wildfire mitigation.
- **Bicameral, Bipartisan Flood Insurance Relief Act (S. 4143/H.R. 8102) 118th Cong. (2024):** allows an above-the-line tax deduction for NFIP and private flood insurance premiums, limited to taxpayers with adjusted gross incomes below \$200,000 (or \$400,000 for joint filers).
- **Bipartisan FLOAT Act (H.R. 10004) 118th Cong. (2024):** provides a tax deduction of up to \$1,000 for flood insurance premiums on primary residences, phasing out by \$50 per \$1 million in income above \$400,000 (joint filers) or \$200,000 (individuals).
- **Catastrophic Wildfire Prevention Act of 2024 (S. 2132) 118th Cong. (2024):** requires the Secretary of Agriculture to establish a pilot program using a pre-fire-suppression stand density index to assess forest conditions and guide mitigation efforts before fires occur.
- **Disaster Assistance Simplification Act (S. 1528) 118th Cong. (2023):** creates a unified disaster assistance system with a universal application across federal agencies to reduce the burdens on survivors, simplify aid access, ensure timely recovery, and improve efficiency and equity.