left jobs at small businesses across Idaho. I also held a hearing in Idaho last August regarding the reemployment rights of returning Guard and Reserve members, with particular focus on how those rights would impact members of the 116th. At that hearing it was emphasized that, while legal rights to reemployment are critical, they do little good for those who have no employer, or no small business, to return to. I resolved then to find some way to assist small businesses to cope with the financial hardships of frequent and lengthy mobilizations of its employees or owners during the war on terrorism. I believe S. 3122 will provide some of that needed assistance.

The legislation would enhance the U.S. Small Business Administration's Military Reservist Economic Injury Disaster Loan, or ''MREIDL,'' Program. That program provides loan assistance to small businesses to help them meet ordinary and necessary operating expenses after essential employees are called to active duty in their roles as citizen soldiers.

S. 3122 would raise the maximum military reservist loan amount from $1.5 million to $2 million. It would also allow the Small Business Administration's administrator, by direct loan or through banks, to offer unsecure loans of up to $25,000, an increase from the current $5,000 loan limit: So that there are no processing delays, S. 3122 would require the SBA administrator to give these loan applications priority, and would require that loan applicants be adequately assisted during the application process by utilizing existing support networks, such as Small Business Development Centers.

Finally, S. 3122 would ensure proactive outreach about the MREIDL Program for Guard and Reserve members by requiring SBA and the Department of Defense to develop a joint Web site and printed materials with information about the program, and it would require a joint SBA and DD feasibility study on other methods of possible assistance.

Just as the Guard and Reserve are serving us now, we must do what we can to ensure that their sacrifices do not place them in financial harm's way on their return home. I strongly urge my colleagues to support this measure, and I, again, thank Senator SNOWE for her leadership in introducing it.

CATASTROPHE INSURANCE

Mr. NELSON of Florida. Mr. President, yesterday, I introduced four bills, 3114, 3115, 3116, and 3117 that are aimed at providing a comprehensive solution to strengthen our Nation's property and casualty insurance market. Without serious reform, the Federal Government will be forced to continue to spend billions of dollars of taxpayer money to cover the costs of natural disasters in the United States. Worse, without Federal action, property insurance soon will become more expensive and harder to find, preventing some consumers from insuring their homes and businesses.

As we know too well, the last few years have brought a devastating cycle of natural catastrophes in the United States. In 2004 and 2005, we witnessed a series of powerful hurricanes that caused unthinkable human tragedy and property loss. Hurricanes Katrina and Rita alone caused over $200 billion in total economic losses, including insured and uninsured losses.

Recently in my own home State of Florida, eight catastrophic storms in 15 months caused more than $31 billion in insured damages. Now Florida is witnessing skyrocketing insurance rates, insurance companies are canceling hundreds of thousands of policies, and Florida's State catastrophe fund is depleted.

In short, the inability of our private markets to fully handle the fallout from natural disasters has made our Nation's property and casualty insurance marketplace unstable. This market instability repeatedly has forced the Federal Government to absorb billions of dollars in uninsured losses. This is a waste of taxpayer money, especially when we know there are ways to design the system to anticipate and plan for the financial impacts of catastrophes.

As insurance companies struggle to maintain their businesses, costs are passed on to homeowners and small businesses in Florida and in other States. In essence, the people who can least afford it are being forced to bear the disproportionate share of the billions of dollars of losses caused by natural catastrophes.

Many Floridians have seen their insurance bills double in the last few years. As I travel around Florida, I hear repeatedly from my constituents that they may soon be unable to afford property and casualty insurance. That is a frightening proposition for people living in a State where increasingly vicious hurricane seasons are predicted. I am sure we all agree—consumers never should be put in the untenable position of having to choose between purchasing insurance and purchasing other necessities.

While our Nation's property and casualty insurance system is not yet completely broken, it is clear that Congress needs to act now to shore up the system. Private sector insurance is currently available to spread some catastrophe-related losses throughout the Nation and internationally, but most experts believe that there will be significant insurance and reinsurance shortages. These shortages could result in future dramatic rate increases for consumers and businesses and the unavailability of catastrophe insurance.

Let me be clear: these issues will not just affect Florida or the coastal States. Natural catastrophes can strike anywhere in our country. For example, a major earthquake fault line runs through several of our Midwestern States. We also saw firsthand the devastating effects of a volcano eruption at Mount St. Helens in Washington State.

In the past few decades, major disasters have been declared in almost every State. As I mentioned earlier, the Federal Government has provided and will continue to provide billions of dollars and resources to pay for these catastrophic losses, at huge costs to all American taxpayers.

Congress has struggled with these issues for decades. Although we have talked about these issues time and again, nothing much has gotten accomplished. The most notable step Congress did take was to create the National Flood Insurance Program. But Congress needs to do much more. It is time for a comprehensive approach to solving our Nation's property and casualty insurance issues.

These matters are usually within the purview of the States, and I cannot undersate the importance of State-based solutions to these insurance issues. Nonetheless, the Federal Government also has a critical interest in ensuring appropriate and fiscally responsible risk management of catastrophes.

For example, mortgages require reliable property insurance, and the unavailability of reliable property insurance would make most real estate transactions impossible. Moreover, the public health, safety, and welfare demand that structures damaged or destroyed in catastrophes be reconstructed as soon as possible.

Therefore, the inability of the private sector insurance and reinsurance markets to maintain sufficient capacity to enable Americans to obtain property insurance coverage in the private sector endangers the national economy and our public health, safety, and welfare.

In order to help protect consumers and small businesses, today I am introducing four bills as part of a comprehensive approach to fixing our troubled insurance system. Let me summarize each of the four bills and tell you how this integrated approach makes good policy sense.

The first piece of legislation I am introducing today is the Homeowners Protection Act of 2006, S3117. This bill is a companion bill to a bipartisan piece of legislation introduced by Florida Representatives BROWN-WAITE, HASTINGS, and others.

This bill would establish a fund within the U.S. Department of Treasury, which would sell Federal catastrophe insurance to State catastrophe funds, like the fund I helped to set up in Florida. State catastrophe funds essentially act as reinsurance mechanisms for insurance companies who lack resources to compensate homeowners for their losses.

Under this bill, State catastrophe funds would be eligible to purchase reinsurance from the Federal fund at sound rates. However, a State catastrophe fund would be prohibited from gaining access to the Federal fund until private insurance companies and the State catastrophe fund met their financial obligations.

Why is this good for homeowners? Because this backup mechanism will improve the solvency and capacity of homeowners insurance markets, which will reduce the chance that consumers will lose their insurance coverage or be hit by huge premium increases.

Importantly, the Homeowners Insurance Protection Act of 2006 also recognizes that part of the problem with our broken property and casualty insurance system lies with outdated building codes and mitigation techniques. Noted insurance experts and consumer groups have been pointing out this problem for many years. So, under the bill, the Secretary of the Treasury would establish an expert commission to assist States in developing mitigation, prevention, recovery, and rebuilding programs that would reduce the types of enormous damage we have seen caused by recent hurricanes.

I note that this bill covers not just hurricanes, but catastrophes such as earthquakes, cyclones, tornados, catastrophic winter storms, and volcanic eruptions. These are disasters that can—and do—occur in many different States. Again, every State and every taxpayer is affected by this problem, not just Florida.

This bill has widespread support from a broad range of stakeholders, including ProtectingAmerica.org, a national coalition of first responders, businesses, and emergency managers. This organization is cochaired by former FEMA Director James Lee Witt, one of the most respected names in disaster prevention and preparedness.

The second bill I am introducing today is the Catastrophe Savings Accounts Act of 2006, S. 3115. The companion bill was introduced in the House of Representatives by a bipartisan group of Members including TOM FEENEY and DEBBIE WASSERMAN SCHULTZ.

This bill proposes changing the Federal Tax Code to allow homeowners to put money aside—on a tax-free basis—to grow over time. If and when a catastrophe hits, a homeowner could take the accumulated savings out of the account to cover uninsured losses, deductible expenses, and building upgrades to mitigate damage that could be caused in future disasters. Homeowners could even reduce their insurance premiums because their tax-free savings would allow them to choose higher deductibles.

The benefits of this approach are pretty straightforward and very consumer friendly. Homeowners would be encouraged to plan in advance for future disasters, and they wouldn't be taxed to do it. Moreover, homeowners wouldn't be as dependent on insurance companies to help them out immediately after a disaster. As one expert has noted, why should a consumer continue to give insurance companies thousands of dollars each year when the consumer could deposit the same amount of money annually in a tax-free, interest-bearing savings account controlled by the consumer?

The third bill I am introducing today is the Policyholder Disaster Protection Act of 2006, S. 3116. This bill was introduced in the House of Representatives by MARK FOLEY and has eight cosponsors.

Under this bill, insurance companies would be permitted to accumulate tax-deferred catastrophic reserves, much the way that homeowners would be permitted under the bill I just discussed. Depending on their size, insurance companies could save up to a certain capped amount, which would grow over time.

Our current Federal Tax Code actually provides a disincentive for insurance companies to accumulate reserve funds for catastrophes. Under the current system, insurance companies can only reserve against losses that already have occurred, instead of future losses. The United States is the only industrialized nation that actually taxes reserves in this way. It is time for reform, so that consumers are better protected.

Make no mistake though—this bill is not a giveaway to the insurance companies. Instead, the Policy Disaster Protection Act of 2006 would strictly regulate when and how insurance companies could access their reserves, to make sure the money is used only for its intended purposes.

If implemented correctly, this bill could result in approximately $15 billion worth of reserves being saved up by insurance companies, which later could be spent to pay for policyholder claims and to keep insurance policies available and affordable. Consumers could feel more protected knowing that their insurance company would have the money saved to help them out after a major disaster. Moreover, this approach should help make the insurance market more stable and less prone to insurers going bankrupt.

Finally, the fourth bill, S. 3114, that I am introducing as part of my comprehensive reform package is the Commission on Catastrophic Disaster Risk and Insurance Act of 2006.

Under this bill, Congress would create a Federal commission—made up of a cross-section of the best experts in the Nation—to quickly recommend to Congress the best approach to addressing catastrophic risk insurance. The experts on the commission would be required to analyze the three bills that I am introducing today, along with other potential approaches to reforming our insurance system.

Creating a Federal commission is not always the best answer, especially if it can slow down reform efforts. But in this case, the opposite would occur. I say that with cofidence—because I am following a successful model that I used when I was insurance commissioner for the State of Florida in the 1990s. After Hurricane Andrew devastated South Florida in 1992, I created a nonpartisan commission comprised of university presidents.

I asked the Florida commission to study the problems with the property and casualty insurance market and recommend what legislative reforms were necessary to restore health to Florida's system. Within months, the commission acted—breaking through the deep political logjam and inertia—to recommend the legislative reforms that ultimately became State law.

That model worked then, and I think it can work now on a Federal level. Without the work of an expert, neutral commission to help guide us in these incredibly complex matters, I fear that Congress will never find the consensus necessary to reform the system and bring stability.

Let me emphasize again what we need to accomplish to reform our current insurance system and to effectively plan for catastrophic losses.

We need a comprehensive approach that will make sure the United States is truly prepared for the financial fallout from natural disasters. We need a property and casualty insurance system that is not forced to spend valuable taxpayer dollars after a catastrophe strikes. We need a system that protects consumers and small businesses from losing their insurance policies or being forced to pay exorbitant insurance rates. We need ways to encourage responsible construction and mitigation techniques. And we need a system that helps insurance companies use their resources in cost-effective ways so that they will not go insolvent after major disasters.

Our American economy depends on a healthy property and casualty insurance system. By enacting meaningful reforms, we can ensure that our economy remains protected and remains the most resilient economy in the world. I know this complicated process won't be easy for us—but let's roll up our shirtsleeves and get it done.

I request that the four bills I discussed—S. 3114, S. 3115, S. 3116, and S. 3117—be printed in the CONGRESSIONAL RECORD.

PASSAGE OF S. 2611

Mr. FEINGOLD. Mr. President, this was a truly historic week for the Senate. With passage of the Comprehensive Immigration Reform Act of 2006, S. 2611, we have succeeded in maintaining several key components of the bill that passed out of the Judiciary Committee 2 months ago—components that I believe are crucial to fixing our broken immigration system.

For starters, supporters of comprehensive reform in the Senate banded together to defeat efforts to remove or further weaken provisions in this bill that will allow the estimated 11 million to 12 million undocumented immigrants currently living in the United States to earn legal status. As both the