

Regular Session, 2011

HOUSE RESOLUTION NO. 17

BY REPRESENTATIVE HARRISON

INSURANCE/HOMEOWNERS: Requests the House Committee on Insurance to study the insurance industry and information used in determining the premiums of insureds who live in the coastal parishes

1 A RESOLUTION

2 To request the House Committee on Insurance to study the insurance industry and gather
3 information used in determining the homeowner's insurance premiums assessed to
4 insureds who live in coastal parishes.

5 WHEREAS, premiums assessed to insureds carrying homeowner's insurance
6 coverage throughout the state have significantly increased since Hurricane Katrina in 2005
7 pursuant to R.S. 22:1335; and

8 WHEREAS, premiums assessed to those insureds living in coastal parishes are
9 substantially higher than of those insureds living in other parishes throughout the state; and

10 WHEREAS, the system for ratemaking is regulated by the commissioner of the
11 Department of Insurance pursuant to R.S. 22:1451 et seq.; and

12 WHEREAS, the purpose of rate regulation is to promote the public welfare by
13 regulating insurance rates to the end that they shall not be excessive, inadequate, or unfairly
14 discriminatory and to authorize and regulate cooperative action among insurers in
15 ratemaking; and

16 WHEREAS, various standards and methods are used during the ratemaking process
17 in determining whether or not to adjust the amount of an insured's homeowner's insurance
18 policy premium when a policy is renewed; and

19 WHEREAS, it is imperative to understand the ratemaking process and all
20 information used by the insurance industry in order to better inform insureds of the reasoning

1 behind the most recent increases in their homeowner's insurance policies, especially those
2 insureds living in the coastal parishes.

3 THEREFORE, BE IT RESOLVED that the House of Representatives of the
4 Legislature of Louisiana does hereby request the House Committee on Insurance to study
5 the insurance industry and gather information used in determining the homeowner's
6 insurance premiums assessed to insureds who live in coastal parishes in contrast to other
7 insureds.

8 BE IT FURTHER RESOLVED that the committee shall specifically solicit the input,
9 recommendations, and advice of the following:

- 10 (1) The commissioner of the Department of Insurance or his designee.
- 11 (2) A representative from Louisiana FAIR Plan.
- 12 (3) A representative from State Farm Insurance Company.
- 13 (4) A representative from Allstate Insurance Company.
- 14 (5) A representative from Independent Insurance Agents and Brokers of Louisiana.
- 15 (6) A representative from Professional Insurance Agents Association of Louisiana.
- 16 (7) A representative from Louisiana Surplus Line Association.
- 17 (8) A representative from Property Insurance Association of Louisiana.

18 BE IT FURTHER RESOLVED that all departments, boards, agencies, officers, and
19 institutions of the state and all subdivisions thereof shall cooperate with the committee in
20 providing information to assist the committee to carry out its mission.

21 BE IT FURTHER RESOLVED that the committee shall report the results of its
22 review and findings and any recommendations for change to the laws, regulations, and
23 procedures governing the ratemaking process to the House of Representatives prior to the
24 convening of the 2012 Regular Session.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Harrison

HR No. 17

Requests the House Committee on Insurance to study the insurance industry and information used in determining the premiums of those insureds who live in the coastal parishes and to report its findings to the House of Representatives prior to the convening of the 2012 R.S.