

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 urge and request the Department of 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 and the use by insurers of regional deductibles.

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

1 THEREFORE, BE IT RESOLVED that the House of Representatives of the
2 Legislature of Louisiana does hereby urge and request the Department of Insurance to study
3 the insurance industry and gather information used in determining the homeowner's
4 insurance premiums assessed to insureds who live in coastal parishes in contrast to other
5 insureds and the use by insurers of regional deductibles.

6 BE IT FURTHER RESOLVED that the department shall specifically solicit the
7 input, recommendations, and advice of the following:

- 8 (1) A representative from Louisiana Citizens Property Insurance Corporation.
- 9 (2) A representative from State Farm Insurance Company.
- 10 (3) A representative from Allstate Insurance Company.
- 11 (4) A representative from Independent Insurance Agents and Brokers of Louisiana.
- 12 (5) A representative from Professional Insurance Agents Association of Louisiana.
- 13 (6) A representative from Louisiana Surplus Line Association.
- 14 (7) A representative from Property Insurance Association of Louisiana.

15 BE IT FURTHER RESOLVED that all departments, boards, agencies, officers, and
16 institutions of the state and all subdivisions thereof shall cooperate with the Department of
17 Insurance in providing information to assist the department to carry out its mission.

18 BE IT FURTHER RESOLVED that the department shall report the results of its
19 review and findings and any recommendations for change to the laws, regulations, and
20 procedures governing the ratemaking process to the House Committee on Insurance by
21 September 15, 2011.

22 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the
23 commissioner of insurance.

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

Urges and requests the Department of Insurance to study the insurance industry and the use by insurers of regional deductibles, to gather 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 by Sept. 15, 2011.

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Insurance to the original bill.

1. Urged and requested the Department of Insurance, as opposed to the House Committee on Insurance, to perform the study.
2. Added the use by insurers of regional deductibles to be included in the study.
3. Removed the commissioner of insurance and a representative from the Louisiana Fair Plan from the committee to perform the study and adds a representative from the Citizens Property Insurance Corporation to the committee.
4. Provided that the committee performing the study shall report its results to the House of Representatives by Sept. 15, 2011.