

Regular Session, 2011

HOUSE RESOLUTION NO. 17

BY REPRESENTATIVE HARRISON

A RESOLUTION

To urge and request the Department of Insurance to study the insurance industry and gather information used in determining the homeowner's insurance premiums assessed to insureds who live in coastal parishes and the use by insurers of regional deductibles.

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

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

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

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

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

WHEREAS, it is imperative to understand the ratemaking process and all information used by the insurance industry in order to better inform insureds of the reasoning behind the most recent increases in their homeowner's insurance policies, especially those insureds living in the coastal parishes.

THEREFORE, BE IT RESOLVED that the House of Representatives of the Legislature of Louisiana does hereby urge and request the Department of Insurance to study the insurance industry and gather information used in determining the homeowner's

insurance premiums assessed to insureds who live in coastal parishes in contrast to other insureds and the use by insurers of regional deductibles.

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

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

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

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

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

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SPEAKER OF THE HOUSE OF REPRESENTATIVES