

1 impossible or difficult at best for large portions of the state, and in addition, the public
2 health, safety, and welfare demand that structures damaged or destroyed in a hurricane be
3 repaired or reconstructed as soon as possible; and

4 WHEREAS, the inability of the private sector insurance and reinsurance markets to
5 maintain sufficient capacity to enable residents to obtain property insurance coverage in the
6 private sector endangers the economy of the state and endangers the public health, safety,
7 and welfare, and accordingly, the state action to correct this inability of the private sector
8 constitutes a valid and necessary public and governmental purpose; and

9 WHEREAS, the insolvencies and financial impairments from hurricanes Laura,
10 Delta, Zeta, and Ida demonstrate that many property insurers are unable or unwilling to
11 maintain reserves, surplus, and reinsurance sufficient to enable the insurers to pay claims in
12 full in the event of a hurricane, and state action is necessary to protect the public from an
13 insurer's unwillingness or inability to maintain sufficient reserves, surplus, and reinsurance;
14 and

15 WHEREAS, a state program to provide quick and equitable settlements prior to
16 commencing normal court proceedings will create a faster path for residents to be
17 compensated for valid and proven damages suffered from a hurricane while also allowing
18 insurers to potentially avoid higher costs of legal defense in normal court proceedings
19 thereby potentially saving the insurers who would otherwise be subject to insolvency, and
20 a study of this type of program, that could ameliorate the current dangers to the state's
21 economy and to the public health, safety, and welfare as well as relative costs in comparison
22 to normal court proceedings; and

23 WHEREAS, a study of the practice of adjusters of property insurance claims in the
24 aftermath of hurricane damage would be of benefit to ensure adjusters practicing in this state
25 are properly, efficiently, and equitably adjusting claims; and

26 WHEREAS, a study of the benefits to the resident property owners of this state of
27 a catastrophe savings account, that may be used with certain tax related benefits, to offset
28 and assist with costs of repair for damages suffered from hurricanes and other relevant
29 natural disasters suffered by the residents of this state.

30 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby

1 urge and request the commissioner of insurance to establish the Hurricane Mitigation
2 Commission for the purpose of studying and reporting findings and recommendations for
3 the handling of property insurance claims in the wake of hurricanes, the practices of property
4 insurance claim adjusters, and the necessity of a catastrophe savings account.

5 BE IT FURTHER RESOLVED that the commission shall consider the handling of
6 property insurance claims in the wake of hurricanes, the practices of property insurance
7 claim adjusters, and the necessity of a catastrophe savings account.

8 BE IT FURTHER RESOLVED that the membership of the commission consist of
9 the following members:

10 (1) The governor, or his appointee.

11 (2) The chairman for the House Committee on Insurance, or his designee.

12 (3) The chairman for the Senate Committee on Insurance, or his designee.

13 (4) The Commissioner of Insurance, or his designee.

14 (5) The chief executive officer for the Louisiana Insurance Guaranty Association, or
15 his designee.

16 (6) The chief executive officer for the Louisiana Citizens Property Insurance
17 Corporation, or his designee.

18 (7) A member selected from the membership of the American Property Casualty
19 Insurance Association.

20 (8) A member selected from the membership of the National Association of Mutual
21 Insurance Companies.

22 (9) A member selected from the membership of the Independent Insurance Agents
23 & Brokers of Louisiana.

24 (10) A member selected from the membership of the Professional Insurance Agents
25 of Louisiana.

26 (11) A member selected from the membership of the Louisiana Association for
27 Justice.

28 (12) A member selected from the membership of the Louisiana Claims Association.

29 (13) A member selected from the membership of the American Adjuster Association.

30 (14) A member selected from the membership of the National Association of

1 Independent Insurance Adjusters.

2 BE IT FURTHER RESOLVED that the names of the members designated in this
3 Resolution be submitted to the commissioner or his designee no later than June 30, 2023,
4 and a vacancy in the membership shall be filled in the same manner as the original
5 appointment.

6 BE IT FURTHER RESOLVED that the members of the commission shall serve
7 without compensation, except per diem or expenses reimbursement to which they may be
8 individually entitled as members of their constituent organizations.

9 BE IT FURTHER RESOLVED that a majority of the commission shall constitute
10 a quorum for the transaction of business and all official actions of the commission shall
11 require the affirmative vote of a majority of the quorum.

12 BE IT FURTHER RESOLVED that the commissioner or his designee shall call the
13 first meeting of the commission, which shall be held no later than July 31, 2023, at which
14 time the commission shall select a chairman and other officers deemed necessary from
15 among its membership, and shall adopt rules of procedure, a work schedule, and any
16 additional measures that the commission deems necessary for the timely performance of its
17 duties.

18 BE IT FURTHER RESOLVED the commissioner of insurance shall designate staff
19 from the Department of Insurance to assist the commission in the performance of its duties.

20 BE IT FURTHER RESOLVED the commission shall be domiciled in Baton Rouge
21 but may hold meetings elsewhere in the state.

22 BE IT FURTHER RESOLVED in conducting its study the commission shall, at
23 minimum, do all of the following:

24 (1) Review all data submitted pursuant to R.S. 13:4165(F).

25 (2) Identify whether a current framework is aligned with the findings of the
26 legislature.

27 (3) Review and study best practices related to the property insurance claims handling
28 of the following:

29 (a) Bad faith penalties.

30 (b) Assignment of benefits.

