

2023 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 58

BY REPRESENTATIVE ZERINGUE

INSURANCE/FLOOD: Urges and requests the Louisiana attorney general to seek legal relief against the Federal Emergency Management Agency's new pricing for the National Flood Insurance Program

1 A CONCURRENT RESOLUTION

2 To urge and request the Louisiana attorney general to seek all available, obtainable, and
3 accessible means of legal relief, including but not limited to filing and initiating a
4 civil proceeding against the Federal Emergency Management Agency (FEMA) to
5 protect the interest of Louisiana citizens against FEMA's new pricing methodology
6 and approach for the National Flood Insurance Program (NFIP) named Risk Rating
7 2.0.

8 WHEREAS, FEMA is updating the NFIP risk-rating methodology by implementing,
9 employing, and creating Risk Rating 2.0; and

10 WHEREAS, FEMA alleges that Risk Rating 2.0 is a new, well-organized, efficient,
11 and cutting-edge technology that will foster economic advances by enabling FEMA to
12 deliver insurance rates that are actuarially justified, equitable, comprehensible, and that
13 confer realistic property flood risks; and

14 WHEREAS, studies show that Risk Rating 2.0 places a catastrophic, calamitous, and
15 cataclysmic effect on flood insurance rates across the state of Louisiana and increases
16 insurance rates by four hundred percent which unfortunately allows FEMA to annually
17 upsurge insurance rates by eighteen percent; and

18 WHEREAS, the increase in rates as a result of Risk Rating 2.0 threatens and
19 undermines the ability of lower- and middle-class income homeowners within the state of
20 Louisiana to purchase, afford, and obtain flood insurance coverage; and

1 WHEREAS, the increase in flood insurance policies may lead many homeowners to
2 file for bankruptcy or foreclosure; and

3 WHEREAS, the damage that will result from any further implementation,
4 application, or regulation of Risk Rating 2.0 will be detrimental to the housing industry's
5 ability to build and sell affordable housing; and

6 WHEREAS, the implementation of Risk Rating 2.0 will lead to higher insurance
7 rates, decrease the property value within this state, harm homeowners, decrease the property
8 tax revenues generated by this state, the levee boards, and other state, local, and parish-wide
9 governmental entities; and

10 WHEREAS, Risk Rating 2.0 will lead to diminution of the tax base of the state of
11 Louisiana, the parishes, the levee boards, and other state and local governmental entities,
12 leading to further loss in property tax revenues; and

13 WHEREAS, this loss of tax revenue will make it more difficult for the state, the
14 parishes, the levee boards, and other governmental entities to provide adequate flood
15 protection; and

16 WHEREAS, the enactment of Risk Rating 2.0 and the harm of potential higher
17 insurance rates threaten the banking industry's investments in private and commercial
18 mortgages across this state; and

19 WHEREAS, the application of Risk Rating 2.0 is detrimental to the housing
20 industry, a potential side effect of higher flood insurance is the foreclosure of homes, and
21 there is no guarantee that banks will be able to resell these homes; and

22 WHEREAS, members of the Louisiana Legislature and other state government,
23 members of Louisiana's congressional delegation, numerous parish presidents and their
24 councils, members of Louisiana's levee boards, and many other entities in Louisiana and
25 around the nation have repeatedly raised these concerns to FEMA, have asked FEMA for
26 documentation showing FEMA's underlying methodology, and have been passed from one
27 federal office to the next without receiving any meaningful answers to their questions or any
28 documents showing FEMA's underlying methodology; and

29 WHEREAS, FEMA has denied the efforts of Louisiana's legislators and other elected
30 officials to protect the state's interests, the interests of Louisiana citizens, and the interests

1 of many Louisiana industries by making what is supposed to be "Equity in Action" an
2 inequitable program across the entire state of Louisiana.

3 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby
4 urge and request the Attorney General for the state of Louisiana to assess, pursue, and seek
5 all available means of legal relief from Risk Rating 2.0, including but not limited to filing
6 a lawsuit against FEMA.

7 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the
8 office of the attorney general.

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)]

HCR 58 Engrossed

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Urges and requests the La. attorney general to seek legal relief against the Federal Emergency Management Agency for the National Flood Insurance Program Risk Rating 2.0.

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Make technical changes.