

2024 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 53

BY REPRESENTATIVE GLORIOSO

INSURANCE: Requests the commissioner of insurance to investigate the potential for creating a Coastal Reinsurance Assistance Program

1 A CONCURRENT RESOLUTION

2 To urge and request the commissioner of insurance to investigate the potential to create a
3 Coastal Reinsurance Assistance Program designed to provide reinsurance coverage
4 for homeowners' policies at a much lower cost to property insurers and thus,
5 providing significant savings to property owners.

6 WHEREAS, the Coastal Reinsurance Assistance Program should be modeled in part
7 after the Florida Optional Reinsurance Assistance (FORA) Program recently implemented
8 in Florida; and

9 WHEREAS, the proposed Coastal Reinsurance Assistance Program should seek to
10 create a cooperative reinsurance product funded by coastal states including but not limited
11 to Texas, Louisiana, Mississippi, Alabama, Georgia, South Carolina, and North Carolina;
12 and

13 WHEREAS, the proposed Coastal Reinsurance Assistance Program should provide
14 reinsurance coverage to property insurers at rates significantly lower than commercially
15 available reinsurance in exchange for reductions in premiums to property owners in the
16 participating states; and

17 WHEREAS, property insurance premiums have dramatically increased over the past
18 three years, becoming increasingly unaffordable for many property owners; and

19 WHEREAS, without meaningful reductions in the cost of property insurance in the
20 coming years, many property owners could potentially face foreclosure; and

1 WHEREAS, many insurers have left Louisiana and are no longer offering property
2 insurance policies to Louisiana residents; and

3 WHEREAS, due to the lack of competition in the marketplace and lack of options
4 for insurance, many property owners have been forced to obtain insurance through the
5 Louisiana Citizens Property Insurance Corporation. Further, many property owners are
6 forced to go uninsured; and

7 WHEREAS, in 2023, Florida created the FORA Program for the 2023 hurricane
8 season to do all of the following:

9 (1) Create an optional hurricane reinsurance program that insurers can purchase at
10 reasonable rates. Rates vary by tier level purchased and range from fifty percent to sixty-
11 five percent rate on line.

12 (2) Provide purchase tiers that begin at the Florida Hurricane Catastrophe Fund
13 (FHCF) attachment point and cumulatively are limited to no more than five billion dollars
14 below the FHCF attachment point.

15 (3) Allow insurers that purchase FORA coverage or that receive free Reinsurance
16 to Assist Policyholders (RAP) coverage at each tier to have the option to purchase the next
17 tier down.

18 (4) Maintain the RAP program, established in May 2022, thus allowing those
19 insurers and their policyholders that could not participate during 2022-2023 to receive and
20 benefit from RAP reinsurance in 2023-2024.

21 (5) Fund FORA coverage with one billion dollars in general revenue funds and the
22 premiums insurers pay for FORA coverage; and

23 WHEREAS, it is in the interest of the citizens of Louisiana for the commissioner of
24 insurance to investigate the potential to create a reinsurance program similar to Florida's
25 FORA program to provide premium reduction relief to our citizens; and

26 WHEREAS, because Louisiana does not have as large of a population as Florida, it
27 may be more feasible for Louisiana to negotiate a reinsurance cooperative that partners with
28 multiple other coastal states to share costs and spread the risk associated with a reinsurance
29 program; and

1 WHEREAS, the Travelers Insurance Institute conducted a study and produced a
2 coastal wind zone plan, and such study may serve the commissioner of insurance as a
3 foundation for creating a Coastal Reinsurance Assistance Program and cooperative between
4 coastal states from Texas to the eastern seaboard.

5 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby
6 urge and request the commissioner of insurance to investigate the potential to create a
7 Coastal Reinsurance Assistance Program to offer a reinsurance product to insurers at a
8 reduced cost, and require the cost savings to be passed to consumers through reduced
9 property insurance premiums.

10 BE IT FURTHER RESOLVED that the Legislature of Louisiana does hereby urge
11 and request the Louisiana Department of Insurance to report its findings from the study
12 called for in this Resolution to the House Committee on Insurance, the Senate Committee
13 on Insurance, and the David R. Poynter Legislative Research Library by February 1, 2025.

14 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the
15 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)]

HCR 53 Original

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Glorioso

Requests the commissioner of insurance to study the potential for creating a Coastal Reinsurance Assistance Program for the state of La. and a cooperative with certain coastal states.

Requests a report of his findings by Feb. 1, 2025.