

2019 Regular Session

HOUSE RESOLUTION NO. 255

BY REPRESENTATIVE JORDAN

INSURANCE/FLOOD: Urges and requests the Louisiana Department of Insurance to study and make recommendations regarding the regulation of private market flood insurance

1 A RESOLUTION

2 To urge and request the Louisiana Department of Insurance to study the desirability and  
3 feasibility of the state regulation of private market flood insurance and to report the  
4 findings of the study to the legislative committees on insurance.

5 WHEREAS, flood insurance protects home and business owners from specific flood  
6 events; and

7 WHEREAS, flood insurance is available through the National Flood Insurance  
8 Program and private insurers, including surplus lines insurers; and

9 WHEREAS, a standard homeowner's or renter's policy does not provide coverage for  
10 damages sustained from a flood; and

11 WHEREAS, the National Flood Insurance Program is a federal program that  
12 provides flood insurance to property owners, renters, and businesses and is the main provider  
13 of residential flood insurance in the United States; and

14 WHEREAS, Louisiana is the largest recipient of funds from the National Flood  
15 Insurance Program, and nearly half a million Louisiana residents are insured through the  
16 program; and

17 WHEREAS, National Flood Insurance Program policies provide coverage for one  
18 building per policy and ten percent for a detached garage, but do not provide coverage for  
19 detached structures, basements, and some other structures; and

1           WHEREAS, surplus lines insurers are required to be registered with the Louisiana  
2 Department of Insurance but are not required to submit to rate and policy review and are not  
3 subject to some Louisiana insurance laws; and

4           WHEREAS, the Louisiana Insurance Guaranty Association, which pays claims if a  
5 standard insurance company becomes insolvent, does not cover policies written by surplus  
6 lines insurers; and

7           WHEREAS, the private flood insurance market is small and there is a large flood  
8 insurance protection gap in the United States; and

9           WHEREAS, there is increased interest from private insurers to provide flood  
10 protection, and an increase in private flood insurance could give policyholders more choices  
11 for coverage and reduce premiums; and

12           WHEREAS, the purpose of the Louisiana Insurance Code, comprising Title 22 of the  
13 Louisiana Revised Statutes of 1950, is to regulate the insurance industry in all of its phases;  
14 and

15           WHEREAS, there is currently no regulatory framework within the Louisiana  
16 Insurance Code specifically for private flood insurance; and

17           WHEREAS, the Department of Insurance works diligently to balance the needs of  
18 insurance consumers with the insurance industry's need to run a competitive business; and

19           WHEREAS, as a regulator, the department enforces the laws that provide a fair and  
20 stable marketplace with transparent rules so one insurer does not have an unfair competitive  
21 advantage over other insurers.

22           THEREFORE, BE IT RESOLVED that the House of Representatives of the  
23 Legislature of Louisiana does hereby urge and request the Department of Insurance to study  
24 the desirability and feasibility of the state regulation of private market flood insurance.

25           BE IT FURTHER RESOLVED that, in carrying out the purposes of this Resolution,  
26 the Department of Insurance shall engage and solicit input, recommendations, and advice  
27 from all interested parties and stakeholders.

28           BE IT FURTHER RESOLVED that, in conducting the study required by this  
29 Resolution, the Department of Insurance shall survey the laws and best practices in other  
30 states.

1 BE IT FURTHER RESOLVED that the department shall submit a written report of  
2 its findings and recommendations, including proposed legislation if necessary, to the House  
3 Committee on Insurance and Senate Committee on Insurance no later than February 1, 2020.  
4 The department may render objective, fiscally feasible recommendations to the legislature  
5 for implementation of policies that could be adopted by the state.

6 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the  
7 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)]

---

HR 255 Original

2019 Regular Session

Jordan

Requests the Dept. of Insurance to study the desirability and feasibility of the state regulation of private market flood insurance. Requests a written report of its findings no later than Feb. 1, 2020.