

2022 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 84

BY REPRESENTATIVE KERNER

INSURANCE/FLOOD: Memorializes Congress to review and reform the National Flood Insurance Program's pricing methodology known as Risk Rating 2.0

1 A CONCURRENT RESOLUTION

2 To memorialize the United States Congress to take such actions as are necessary to review
3 and reform the National Flood Insurance Program's pricing methodology known as
4 Risk Rating 2.0.

5 WHEREAS, various scientific studies have reported climate change as having an
6 impact on the current increase in the frequency and severity of natural disasters; and

7 WHEREAS, various scientific studies predict continued increases in the frequency
8 and severity of natural disasters; and

9 WHEREAS, the Federal Emergency Management Agency (FEMA) has reported that
10 flooding is the most common and most expensive type of natural disaster in the United
11 States; and

12 WHEREAS, FEMA has reported that one inch of water pooled in a single-story, one
13 thousand square foot home can cause approximately eleven thousand dollars worth of
14 damage; and

15 WHEREAS, a home is the most valuable asset owned by many families; and

16 WHEREAS, flood insurance is a product designed to mitigate the cost of repairs
17 needed due to flood damage by offering coverage at a rate based on certain risk factors; and

18 WHEREAS, the National Flood Insurance Program (NFIP) offers a maximum of two
19 hundred fifty thousand dollars of flood insurance coverage for residential structures for
20 families of one to four; and

1 WHEREAS, beginning October 1, 2021, new flood insurance policies issued by
2 NFIP are subject to the rating methodology known as Risk Rating 2.0; and

3 WHEREAS, all flood insurance policies issued by NFIP that are renewed on or after
4 April 1, 2022 are subject to Risk Rating 2.0; and

5 WHEREAS, the flood insurance rates for certain families are increasing up to
6 eighteen percent per year; and

7 WHEREAS, citizens of the town of Jean Lafitte have elevated their homes but will
8 nevertheless pay higher flood insurance rates under Risk Rating 2.0; and

9 WHEREAS, the language used to explain Risk Rating 2.0 in correspondence with
10 policyholders is unclear to laypersons and difficult to understand; and

11 WHEREAS, policyholders should receive correspondence explaining Risk Rating
12 2.0 that utilizes language a policyholder can understand without the assistance of legal
13 counsel; and

14 WHEREAS, increased residential flood insurance rates may discourage people from
15 purchasing homes in south Louisiana; and

16 WHEREAS, a decrease in demand, as a result of increased flood insurance rates, may
17 discourage individuals and property developers from building new homes in south
18 Louisiana; and

19 WHEREAS, increased flood insurance rates may result in homeowners opting to not
20 purchase flood insurance, which would expose them to bearing the full expense of repairing
21 their home if it is damaged by a flood; and

22 WHEREAS, many homeowners would be unable to afford to repair their home if it
23 were damaged by a flood and they did not receive flood insurance proceeds; and

24 WHEREAS, flood insurance should be affordable to all citizens of Louisiana,
25 including residents of coastal communities in south Louisiana; and

26 WHEREAS, congress has oversight authority over federal administrative agencies,
27 including FEMA and NFIP; and

28 WHEREAS, the members of the Louisiana congressional delegation have an
29 obligation to effectuate federal legislative changes for the benefit of the citizens of
30 Louisiana.

1 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby
2 memorialize the United States Congress to take such actions as are necessary to review and
3 reform NFIP's pricing methodology known as Risk Rating 2.0.

4 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the
5 presiding officers of the Senate and the House of Representatives of the Congress of the
6 United States of America and to each member of the Louisiana congressional delegation.

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 84 Original

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Kerner

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