

Regular Session, 2007

HOUSE RESOLUTION NO. 170

BY REPRESENTATIVE BURNS

A RESOLUTION

To urge and request the Louisiana Citizens Property Insurance Corporation to grant discounts based upon new developments in building technology.

WHEREAS, the Louisiana Citizens Property Insurance Corporation was created by Act No. 1133 of the 2003 Regular Session as a tax-exempt, nonprofit corporation to oversee the state's residual market insurance programs, known as the Coastal Plan and FAIR Plan; and

WHEREAS, the Louisiana Citizens Property Insurance Corporation was originally designed to be the insurer of last resort for those homeowners and businesses who were unable to procure property insurance in the private sector; and

WHEREAS, Hurricane Katrina made landfall in the Gulf Coast region on August 29, 2005, as a category three storm, is recorded as one of the worst natural disasters in American history, and caused unprecedented property damage, loss of life, and the upheaval of societal norms in the state of Louisiana; and

WHEREAS, the wrath of these storms caused mass evacuations, numerous deaths, physical destruction, and economic ruin throughout Louisiana; and

WHEREAS, Louisiana by its very nature is exposed to significant future hurricane activity, which may result in a catastrophic impact on the economic, human, and physical environment of the state; and

WHEREAS, the cost of property insurance in a post-storm environment has drastically increased as a result of private insurers transferring money from their capital base or surplus to reserve accounts to satisfy the voluminous number of catastrophe loss claims that arose from Hurricanes Katrina and Rita; and

WHEREAS, the ability to purchase economical property insurance is stifling the recovery effort since Hurricanes Katrina and Rita; and

WHEREAS, new technology and building materials are available to make homes more storm resistant; and

WHEREAS, the alternative building materials such as concrete, autoclaved aerated concrete, and other materials will provide for more durable homes for citizens rebuilding their homes; and

WHEREAS, offering actuarially justified reasonable discounts for mitigation techniques that utilize new building technology and building materials to decrease windstorm loss would result in lower premiums because of the reduced risk associated with insuring a structure; and

WHEREAS, many insurers would benefit from the increased strength of buildings from the new technology and building materials used in the construction and retrofitting techniques; and

WHEREAS, it would be beneficial to determine whether it would be economically feasible for the Louisiana Citizens Property Insurance Corporation to grant discounts on homes built with this new technology.

THEREFORE, BE IT RESOLVED that the House of Representatives of the Legislature of Louisiana does hereby urge and request the Louisiana Citizens Property Insurance Corporation to grant discounts based upon new developments in building technology.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES