

2022 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 84

BY REPRESENTATIVES KERNER, BOURRIAQUE, GAROFALO, AND LANDRY

A CONCURRENT RESOLUTION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE