HLS 10RS-5321 ORIGINAL

Regular Session, 2010

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HOUSE RESOLUTION NO. 165

BY REPRESENTATIVE LAFONTA

LIABILITY: Urges and requests the state commissioner of insurance to investigate who will be responsible for property damage resulting from the oil spill

A RESOLUTION

2	To urge and request the commissioner of insurance of this state to investigate who will be
3	responsible for property damage resulting from the oil spill in the event that a
4	hurricane, tropical storm, or some other act of God serves to propel the oil onto land
5	or property.
6	WHEREAS, on Tuesday, April 22, 2010, an explosion occurred on British
7	Petroleum's Deepwater Horizon oil rig in the Gulf of Mexico, fifty-two miles southeast of
8	the Louisiana port of Venice; and
9	WHEREAS, four days after the explosion, underwater robots discovered at least two
10	leaks which were thought to be spewing as much as five thousand barrels of oil per day into
11	the Gulf of Mexico; and
12	WHEREAS, a British Petroleum executive conceded, in a closed door meeting with
13	the United States Congress, that the actual amount of oil leaking into the Gulf of Mexico
14	should be revised from five thousand barrels per day to anywhere between twelve thousand
15	to nineteen thousand barrels per day; and
16	WHEREAS, one barrel equals forty-two gallons of oil; and
17	WHEREAS, this same oil is now creeping further toward the Louisiana coast line
18	each day; and
19	WHEREAS, a hurricane or tropical storm could serve to exacerbate the oil spill by
20	propelling the oil further onto the lands and properties of the Louisiana gulf coast; and

1	WHEREAS, the 2010 hurricane season began on June 1, 2010; and
2	WHEREAS, experts, namely the National Oceanic and Atmospheric Administration
3	(NOAA), predict that this 2010 hurricane season will be one of the strongest on record, with
4	at least fourteen to twenty-three named storms; and
5	WHEREAS, each storm is accompanied by the threat that oil-saturated sea water will
6	be launched upon the land and homes of property owners who live in proximity to the gulf
7	coast; and
8	WHEREAS, a standard homeowner insurance policy would describe this
9	aforementioned threat as "an onshore rush of water associated with a low pressure weather
10	system," or a storm surge; and
11	WHEREAS, a standard homeowner insurance policy excludes storm surges from
12	coverage under the policy; and
13	WHEREAS, a standard homeowner insurance policy defines the term "pollutant" in
14	such a way that the same crude oil which is posing the threat to residents and property
15	owners of land along the Gulf Coast would be excluded because it is unaltered, and is
16	leaking into the gulf in its congenital form; and
17	WHEREAS, a standard homeowner insurance policy would cover neither ground
18	contamination nor flood damage caused by a propulsion of oil onto land by a hurricane or
19	tropical storm; and
20	WHEREAS, a standard flood insurance policy will cover structural damage to a
21	home only; and
22	WHEREAS, a standard flood insurance policy will not cover ground contamination
23	of a home or property owner's land; and
24	WHEREAS, oil is toxic; and
25	WHEREAS, the toxic properties of oil can remain within the land for several years;
26	and
27	WHEREAS, toxic oil can kill creatures that live on land and in dirt; and
28	WHEREAS, the presence of oil on land can dramatically decrease property value;
29	and

1 WHEREAS, British Petroleum is the responsible party for the presence of oil in the 2 Gulf of Mexico: and 3 WHEREAS, British Petroleum is the responsible party for any oil damage; and 4 WHEREAS, it is yet unresolved where Louisiana citizens, property owners, and insurance policy holders will be able to receive relief in the event that they sustain damage 5 6 to their land, homes, or other properties in the event that an act of God propels British 7 Petroleum oil onto their land, homes, or other properties; and 8 WHEREAS, it is imperative to determine to whom Louisiana citizens, property 9 owners, and insurance policy holders shall be able to direct their claims of loss and from 10 whom they shall receive restitution. 11 THEREFORE, BE IT RESOLVED that the House of Representatives of the 12 Legislature of Louisiana does hereby urge and request the state commissioner of insurance 13 to investigate who will be responsible for property damage resulting from the oil spill. 14 BE IT FURTHER RESOLVED that a written report shall be made to the House 15 Committee on Insurance no later than August 31, 2010. 16 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the 17 commissioner of insurance of this state.

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)]

LaFonta HR No. 165

Urges and requests the state commissioner of insurance to investigate who will be responsible for property damage resulting from the oil spill, in the event that a hurricane, tropical storm, or some other act of God serves to propel the oil onto land or property.

Provides that the state commissioner of insurance shall make a written report, to be delivered to the House Committee on Insurance on or before August 31, 2010.