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Hurricane Katrina Anniversary Serves as Reminder to Prepare for Peak of Atlantic Hurricane Season

On the ninth anniversary of Hurricane Katrina Insurance Commissioner Jim Donelon is providing an update on the status of the homeowners market in Louisiana and also reminding residents as we enter the peak of hurricane season to remain prepared and informed.

“Following Hurricanes Katrina and Rita we developed a combination of strategies including the Louisiana Citizens Depopulation Program to improve Louisiana’s property insurance market,” said Commissioner Donelon. “Our market is actually more competitive and more diverse than it was prior to 2005 and we now have 21 new insurance groups writing in Louisiana who were not here pre-Katrina. While larger companies have downsized their exposure along the coast, we’ve been successful in filling that vacuum with smaller, regional and financially stable companies that I believe represent the future of coastal property insurance markets.”

Commissioner Donelon says the state’s implementation of a statewide building code in response to Hurricanes Katrina and Rita has also been instrumental in improving the property insurance market in Louisiana. During the 2005 First Extraordinary Legislative session, the Legislature enacted the first mandatory statewide building code, the Louisiana State Uniform Construction Code.

“Our statewide building code has been helpful on several fronts – enhancing the safety of Louisiana residents, improving the resiliency of Louisiana communities, and boosting confidence among insurers interested in offering coverage in Louisiana. We continue to push to raise awareness of the incentives to those who comply with the Louisiana State Uniform Construction Code including insurance premium discounts and tax deductions for retrofitting existing residential structures,” added Donelon.

Commissioner Donelon also advises Louisiana residents that now is a good time to take precautionary measures before a hurricane threatens. “Know your coverages and check with your agent to find out if there is a wind and hail, named storm or hurricane deductible written into your policy. Also be aware that companies stop writing property policies when storms approach the Gulf of Mexico.”

Other steps to prepare for hurricane season include:

- ✓ **Get flood insurance.** If you don’t already have one, consider purchasing a flood insurance policy through the federal National Flood Insurance Program. Most homeowners insurance does not cover floods and there may be a 30-day wait before a flood policy becomes effective. If you

already have a flood policy, remember that your policy needs to be renewed each year. For more information on flood insurance, go to www.floodsmart.gov

- ✓ **Conduct a thorough home inventory.** A thorough documentation of your belongings will help in the event you must file an insurance claim. At a minimum store photos or videos of your home's interior on your cell phone camera and store digital pictures in your email for easy retrieval.
- ✓ **Don't forget about your health insurance.** Make sure you have an adequate supply of maintenance drugs, for example, your blood pressure medication, in the event of an evacuation. Ask your doctor if he or she will give you a written prescription for any important medications you may need to fill away from home such as insulin or heart medications.

For more information on storm preparedness, please visit www.ldi.la.gov/hurricanes.

Quick Facts:

- According to Property Claim Service estimates, Hurricane Katrina resulted in more than \$25.4 billion in insured losses in Louisiana making it the largest insured loss event in the history of insurance anywhere in the world. Three weeks later Hurricane Rita caused \$3.4 billion in additional insured losses in Louisiana. These estimates do not include insured flood losses which totaled \$15 billion of payments from the National Flood Insurance Program for the two storms in our state.
- Louisiana property owners pay \$2.6 billion per year in premiums for all property insurance purchased (commercial and residential).
- As the state's insurer of last resort, Louisiana Citizens Property Insurance Corporation offers homeowners and commercial policies to those unable to secure coverage through private insurers. In 2008, Citizens' market share spiked to 9.8 percent, making it the third largest insurer in the state. By 2013, its homeowners market share had dropped to 2.3 percent, making it the ninth largest insurer in Louisiana.
- Insurance premium discounts offered to those who comply with the Louisiana State Uniform Construction Code apply to new and retrofitted, one or two-family, owner-occupied and modular homes and are generally up to 20 percent.
- Louisiana tax deductions are provided to those who voluntarily retrofit an owner/occupied residential property to comply with the Louisiana State Uniform Construction Code. The construction code retrofitting tax deduction is 50 percent of the cost up to \$5,000.

About the Louisiana Department of Insurance: *The Louisiana Department of Insurance works to improve competition in the state's insurance market while assisting individuals and businesses with the information and resources they need to be informed consumers of insurance. As a regulator, the LDI enforces the laws that provide a fair and stable marketplace and makes certain that insurers comply with the laws in place to protect policyholders. You can contact the LDI by calling 1-800-259-5300 or visiting www.ldi.la.gov.*