



Louisiana Department of Insurance

LOUISIANA PROPERTY & CASUALTY INSURANCE COMMISSION



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Commissioner of Insurance

MONTHLY REPORT

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FEMA Restores "Grandfathered" NFIP Flood Rates

This past March 21 the President signed into law the Homeowner Flood Insurance Affordability Act, which tempered some of the reforms to the National Flood Insurance Program (NFIP) enacted in 2012 through the Biggert-Waters Flood Insurance Reform Act. The 2012 reforms caused major problems with soaring rates. This high cost of flood insurance made it practically impossible for many south Louisianans to afford to buy or sell older homes. The recent law repealed that section of Biggert-Waters, but there has been a lag in implementing rate relief for these policyholders.

Effective May 1 the Federal Emergency Management Agency (FEMA), which administers the NFIP, will charge the flood insurance rates in effect on October 1, 2013, if more favorable than "full-risk" rates, for new or renewal policies insuring "grandfathered" primary residences and businesses. Many of those policyholders who purchased an NFIP policy since July 6, 2012 on an otherwise "grandfathered" residence will be due a refund of the excess "full-risk" premium collected. However, it may be an additional 6 to 8 months before that process is implemented.

The Louisiana congressional delegation continues to monitor the situation and assert their influence on behalf of the state's citizens. FEMA has been instructed through the act to take into consideration more of the preventative infrastructure, such as levees. Premiums may still rise, just more gradually and under the consideration of redrawn flood maps.

Keeping a Watchful Eye on Hurricane Season

June 1 may mean that school is out, but it also heralds the start of hurricane season, which runs through November 30. So, it is not just the kids that you need to keep an eye on.

The forecast at this stage is calling for a below-normal season, principally due to the suppressing effects of the El Niño anticipated to develop this summer:

	Named Storms winds 39+ mph	Hurricanes winds 74+ mph	Major Hurricanes winds 111+ mph
AVERAGE 1981 - 2010	12	6	3
AccuWeather.com	10	5	2
Coastal Carolina U.		3 - 6	
Colorado State U.	9	3	1
NOAA	8 - 13	3 - 6	1 - 2
WeatherBELL Analytics	8 - 10	3 - 5	1 - 2
2013 Hurricane Activity	13	2	0

Of course, as National Oceanic and Atmospheric Administration (NOAA) administrator Kathryn Sullivan stated, "it's important to remember it takes only one land falling storm to cause a disaster." FEMA will also join NOAA's National Hurricane Center to promote storm readiness this month during Hurricane Preparedness Week, May 25-31.

Commissioner Donelon is also conducting his annual statewide public awareness campaign to encourage preparations for the upcoming hurricane season. He advises all citizens that now is the time to review all their insurance policies. This information and useful guidelines are available on the Department's website.

Safety- A Priority

The LPCIC staff recently attended both local and state meetings pertaining to Louisiana's Strategic Highway Safety Plan. Emphasis areas are: impaired driving, young drivers, occupant protection, infrastructure/operations, and bike/pedestrian safety. Coalitions formed across the state are actively implementing preventative safety measures to promote awareness and reduce fatalities and injuries. The group in the Baton Rouge area is named the Capital Region Transportation Safety Coalition and encourages interested stakeholders to join their efforts.

On the state level, the strategic plans are reviewed and modified guided by the leadership of a national moderator brought in through the lead agencies which are the Louisiana Highway Safety Commission and the Louisiana Department of Transportation and Development. "Zero deaths" is the final target. Ideas and information are exchanged based on the comparison of successes within Louisiana and examples of other states. Much remains to be accomplished, but Louisiana continues to successfully meet its interim targets.

2013 Louisiana Stats:

- 689 Motor vehicle crash fatalities
- 70,667 motor vehicle crash injuries
- Seat belt usage rate = 83 percent
- 57 percent of occupants killed were unrestrained
- Louisiana Crash Clock:
 - Every 12 hours and 42 seconds, someone is killed in a motor vehicle crash
 - Every 7 minutes and 26 seconds, someone is injured in a motor vehicle crash
 - Every 3.5 minutes and 24 seconds, a crash occurs in Louisiana

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