



Louisiana Department of Insurance

# LOUISIANA PROPERTY & CASUALTY INSURANCE COMMISSION



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Commissioner of Insurance

## MONTHLY REPORT

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## Hurricane Forecast Feature Aids Storm Surge Awareness, Safety

In November 2012, the Louisiana Property and Casualty Insurance Commission received a briefing from Supervisory Hydrologist Ben McGee on the efforts of the U.S. Geological Survey (USGS) to more accurately record and understand the inland storm surge associated with hurricanes. The USGS recognized in its post-Katrina assessment in and around New Orleans that the use of high-water marks to document surge was inadequate. Based on this experience the USGS was able to deploy sensors in time to record Rita's storm surge in real-time less than a month later in 2005. The storm surge data gathered was so vastly superior that the sensors were deployed in advance of nine subsequent hurricanes including Superstorm Sandy.

Now with the official beginning of hurricane season this month, the National Hurricane Center (NHC) has a new feature it hopes will increase storm surge awareness: color-coded, broadcast-ready maps that graphically show the potential for flooding from storm surge. The maps will be issued 48 hours before landfall and updated every six hours, so that people will be able to better gauge whether their property is likely to flood.

The need for greater awareness of storm surge flood risk in coastal communities was highlighted by the devastation in Galveston by 2008's Hurricane Ike and in New York and New Jersey by 2012's Superstorm Sandy. Additionally, polling by NHC found that most citizens living on vulnerable coasts made evacuation decisions based more on hurricane wind speed rather than storm surge.

At the National Hurricane Conference in April, NHC storm surge specialist Jamie Rhome was quoted as saying, "We are not a storm surge savvy nation. Yet storm surge is responsible for over half the deaths in hurricanes. So you can see why we're motivated to try something new. It's clear to me this [the new storm surge graphic] is going to have a positive impact on how people understand their threat. Whether or not it causes them to take an action is yet to be seen."

## Secure Your Boating Pleasure

It is summertime and for many in the "Sportsman's Paradise" fun involves a watercraft. Unfortunately, pleasure boating season is also the high season for thefts. According to the National Insurance Crime Bureau (NICB), 63% of all watercraft thefts occur between April and September, with July being the worst month.

Last month the NICB released its report for 2013, which indicates 5,537 watercraft were stolen across the country last year, a 6% decrease from 2012. Only 40% have been recovered as of April 2014. Of the 13 boat types tracked, the three most often stolen were: Jet Ski (1,215), Runabout - motorboat/speedboat (871), and Utility - "fisherman"/bateau (363). The three states where boat thefts most often occurred were: Florida (1,310), California (628), and Texas (382). Louisiana ranked eleventh with 142 boat thefts of which 15 were Jet Skis, 32 were Runabouts, and 31 were Utility.

To ensure your boating pleasure, the NICB encourages you to practice safe and smart boating and offers a theft prevention brochure that includes these measures:

- Dock your craft in well-lit areas and secure it to the dock with a locked steel cable.
- Remove expensive equipment when not in use.
- Chain and lock detachable motors to the boat.
- Remove registration and title papers from the craft.
- Disable the craft when not in use by shutting fuel lines or removing the battery or distributor cap.
- Use a trailer hitch lock after parking a boat on its trailer.

Park your trailer in a locked garage, secured boat storage facility, or well-lit fenced area.

- Make sure your marine insurance policy includes your equipment, boat and trailer.
- Mark your boat and equipment with the vessel's Hull Identification Number (HIN) and photo/video document for identification in case of theft.

## The Cost of Car Crashes – It's Not Just the Price of Insurance

You wince every time you pay your car insurance - too high. Why? For your insurance company, premium is primarily a calculation of the risk of crashes and the cost to settle the claims associated with them. To the company it is the price of doing business in Louisiana. Now comes a study from the National Highway Traffic Safety Administration (NHTSA) that calculates that crashes in the U.S. in 2010 cost a total of \$871 billion - \$277 billion in economic loss plus \$594 billion in lost lives and in the pain and decreased quality of life of the injured.

According to NHTSA, in 2010 roadway crashes took 32,999 lives, caused 3.9 million non-fatal injuries, and damaged 24 million vehicles. The economic cost of \$277 billion - nearly \$900 for each of us alive in 2010 - includes productivity losses, property damage, medical and rehabilitation costs, traffic congestion costs, legal and court costs, emergency services, insurance administration costs, and the costs to employers.

The NHTSA study also calculated the cost of some of the major factors in the 2010 crashes (figures rounded):

Major Factors	Economic Cost Alone	Total Cost Economic + Lost Life/Quality
Drunk driving	\$59 billion	\$243 billion
Speeding	\$59 billion	\$210 billion
Distraction	\$46 billion	\$129 billion
Pedestrians/Bicyclists	\$19 billion	\$90 billion
Seatbelts, non-use*	\$14 billion	\$72 billion
	<b>\$197 billion</b>	<b>\$744 billion</b>

\* Seatbelt use in crashes prevented (saved?) an additional \$69 billion in economic costs.

So what does this 300-odd page report from the federal government with a bunch of big numbers really mean to us? It means that we are all in this together. That each of us is responsible for doing our part to create safe passage on our roads. That if each of us practice responsible safe driving behavior and encourage friends and loved ones to do the same, it will reduce crashes, avoid needless suffering, and - with the reduction in crash claims - bring about an overall reduction in insurance premiums.

For the sake of all who share the road - buckle up, watch your speed, stop driving aggressively, keep your hands on the wheel and keep your eyes and mind on the road.

## Notice: Annual LA Insurance Compliance Seminar & Legislative Review

The "Annual Louisiana Insurance Compliance Seminar & Legislative Review" will be held July 9-11 at the Royal Sonesta Hotel in New Orleans. As always, the Louisiana Department of Insurance will be presenting information on form and rate filing, consumer complaint handling, and other compliance topics of interest to insurers, producers and adjusters. For additional information and registration, please click [here](#).

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