

Jefferson EDGE 2020 INSURANCE Status Report 4: June 2012

Prepared by JEDCO and GCR Inc.

JEDCO
Jefferson Parish Economic Development Commission



Insurance

In response to concerns about quality of life in Jefferson Parish and its impact upon the community's economic competitiveness, JEDCO initiated the Jefferson Edge 2020 Quality of Life initiative. This initiative has produced eight "strategic implementation plans" which include a series of action items to address particular quality of life issues. Implementing the action items requires the total cooperation and keen interest of all involved, including JEDCO, the Jefferson Parish government, numerous other entities, and frequently State and Federal agencies. In 2008, JEDCO retained GCR & Associates, Inc. to prepare semiannual reports outlining the status of each of these action items and overall progress toward implementation.

The following table summarizes the progress made toward each of the insurance (I) action items. Insurance, however, is relatively unique among all of the EDGE 2020 action items in that progress hinges to such an extent on major reform at the state and federal level—reform that has been discussed for some time but that has not gained significant momentum in recent years. From the standpoint of JEDCO and the insurance strike force, the first measure of progress will be to increase local interest and involvement in insurance issues. To that end, there have been significant discussions around establishing an annual forum to deal with insurance issues. At the same time, businesses and business organizations, led by JEDCO, can become more involved in coalitions and advocacy groups that are pushing for significant federal reforms. In future Insurance status reports, progress may be gauged less by what is happening in Washington, DC and more by local businesses' involvement and awareness of insurance issues and reform efforts at the state and federal level. This "recalibration" of measuring progress may result in more short-term, attainable goals for JEDCO and Jefferson's business community."

I = Insurance

Action ID #	Action Item	Progress as of June 2012		
		Action Item Complete	Substantial Progress	Little/No Progress
I1	Aggressively support the implementation of the Jefferson EDGE 2020 Flood Protection Plan			
I2	Strongly oppose efforts to reverse the mandatory statewide building code			
I3	Support efforts at the state and local levels to ensure more intelligent building practices			
I4	Extend the Insure Louisiana Incentive Program to allow further distribution of incentive funds			
I5	Support statewide efforts for tort reform	Action item tabled at this time.		
I6	Advocate forcefully for the establishment of a federal catastrophe insurance fund	Action item tabled at this time.		
I7	Advocate for reforms to the National Flood Insurance Program (NFIP)			
I8	Examine the feasibility of other insurance reform proposals at the national level	Action item tabled at this time.		
I9	Coordinate with economic development and business organizations in the metropolitan area to create a formal mechanism for outreach to businesses on insurance matters			
I10	Encourage businesses to join regional and national coalitions to advocate for comprehensive insurance reform			

Insurance

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					Action Item Complete	Substantial Progress	Little/No Progress
11	Aggressively support the implementation of the Jefferson EDGE 2020 Flood Protection Plan	See action matrix within the Flood Protection Plan: www.jedco.org/the-jefferson-edge	Substantial progress has been made in implementing the EDGE 2020 Flood Protection Plan. Refer to Status Update 5 of the Flood Protection Plan for specific accomplishments.	Continue to implement the EDGE 2020 Flood Protection Plan.			
12	Strongly oppose efforts to reverse the mandatory statewide building code	Ongoing, should new legislation to repeal the code arise	No substantive action has been taken to reverse the statewide mandatory building code. This action item is being marked as “complete,” though the Jefferson legislative delegation must continue to ensure the State’s commitment to a mandatory building code.	No further action at this time. Continue to monitor efforts to repeal or modify the statewide building code.			
13	Support efforts at the state and local levels to ensure more intelligent building practices	Complete local land use review in 2009 – 2010; pass state land use legislation in 2010 - 2011	<p>The “Water Management Strategy” initiative, directed by GNO Inc. and Waggoner and Ball Architects is well underway. The geographical focus of the project is the East Bank of Jefferson, the East Bank of Orleans, and St. Bernard Parish. Through a variety of water retention techniques, this plan—if implemented—would reduce the risk of flooding and along with it, flood insurance premiums paid by residents and businesses. It may have the ancillary benefit of also reducing property insurance premiums.</p> <p>Other potential plans that would deal with the overall land use pattern in Jefferson Parish are not likely to be undertaken any time soon. There is no immediate discussion about an update to either the Parish’s land use plan or its hazard mitigation plan at this time.</p>	<p>Monitor progress of GNO, Inc.’s water management strategy to determine whether lower insurance rates are a realistic outcome. If so, push for the implementation of the plan.</p> <p>Advocate for an update of the Parish’s land use plan to push for more resilient land use practices and to reflect major changes in infrastructure, such as the widening of the Huey P. Long Bridge.</p>			

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14	Extend the Insure Louisiana Incentive Program to allow further distribution of incentive funds	Allocate funding and re-establish program (pending recommendation of Insurance Commissioner) in 2010 at the earliest	Action complete. For more information, refer to October, 2009 status update.	No further action required.				
15	Support statewide efforts for tort reform	Develop tort reform measures and pass legislation in 2009-2010	During the 2010 legislative session, Insurance Commissioner Jim Donelon proposed a bill that would have limited class action lawsuits against insurers, but the bill was killed in the Legislature. There seems to be little appetite at the state level for comprehensive tort reform, as there is scant support within the Legislature.	This action item has been tabled indefinitely due to the infeasibility of effecting legislative action.	Action item tabled at this time.			
16	Advocate forcefully for the establishment of a federal catastrophe insurance fund	Introduce and pass legislation in 2010-2011	The legislative prospects for a "free-standing" wind/multi-hazard bill are minimal at the present. For this reason, this action item has been tabled. However, refer to action item I-7, which discusses reforms to the NFIP program as part of a reauthorization bill.	This action item has been tabled indefinitely due to insufficient support in Congress for a "free-standing" wind/multi-hazard bill.	Action item tabled at this time.			

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17	Advocate for reforms to the National Flood Insurance Program (NFIP)	Introduce and pass legislation in 2010-2011	<p>In recent years, the National Flood Insurance Program (NFIP) has been temporarily extended a number of times through interim legislation, but Congress has held off on systematic reform. However, House of Representatives recently passed a bill for a long-term extension to NFIP. The bill would re-authorize NFIP for five years and would make a number of other substantive changes, including increasing premiums to make the program solvent and revamping flood maps. The bill now goes to the Senate for approval.</p> <p>The reauthorization of NFIP also presents an opportunity for more fundamental changes to hazard insurance. A wind or multi-peril amendment to NFIP is the most likely vehicle for substantive insurance reform at the federal level. The prospects for a “free-standing” multi-peril bill, as had been proposed in the past, are minimal at the present.</p>	Maintain communications with Louisiana’s congressional delegation on NFIP re-authorization and monitor the progress of the re-authorization bill in the Senate. Advocate for higher NFIP coverage limits and for the addition of a wind/multi-peril amendment to the Senate version of the bill.			
18	Examine the feasibility of other insurance reform proposals at the national level	Form a congressionally appointed commission in 2010; introduce and pass recommended legislation in 2011	The legislative prospects for a “free-standing” wind/multi-hazard bill are minimal at the present, as are the prospects of other major federal reforms to the insurance market. For this reason, this action item has been tabled. However, refer to action item I-7, which discusses possible reforms to NFIP as part of a long-term authorization.	This action item has been tabled indefinitely.	Action item tabled at this time.		
19	Coordinate with economic development and business organizations in the metropolitan area to create a formal mechanism for outreach to businesses on insurance matters	Finalize program design and initiate outreach by year end, 2009	<p>Action complete. For more information, refer to October, 2010 status update. Although there is probably enough new information on changes in the market and regulatory/legislative changes to host a summit on an annual basis, there may be an interest in conducting the summit every two years.</p> <p>There are no plans for a follow up insurance summit in 2012.</p>	Begin a dialogue with major businesses and property owners about an insurance summit near the beginning of the hurricane season in 2013.			

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I10	Encourage businesses to join regional and national coalitions to advocate for comprehensive insurance reform	Increase advocacy by year end, 2009	JEDCO continues to be a member of the Coalition to Insure Louisiana (CIL), but after a flurry of initial activity, CIL's reform and advocacy agenda has been more limited in recent years.	Remain active in CIL, and continue to stay abreast of major news articles and legislative developments in the insurance industry.			

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