

2025 Regular Session

HOUSE RESOLUTION NO. 341

BY REPRESENTATIVE BEAULLIEU

INSURANCE/PROPERTY: Requests the Louisiana Department of Insurance to conduct a comprehensive study on incentives and standard benchmarks for integration into the Louisiana Fortify Homes Program

1 A RESOLUTION

2 To urge and request the Louisiana Department of Insurance to conduct a comprehensive
3 study on incentives and standard benchmarks for integration into the Louisiana
4 Fortify Homes Program.

5 WHEREAS, Louisiana has the least affordable homeowner's insurance compared to
6 the eight southeastern coastal states; and

7 WHEREAS, compared to hurricane-exposed portions of other coastal states,
8 Louisiana's high concentration of residents in hurricane-exposed areas ranks last for
9 insurance affordability; and

10 WHEREAS, Louisiana is the second-most vulnerable state in the United States to
11 natural disasters, driven primarily by hurricane risks and the low affordability of insurance
12 in hurricane-exposed areas, according to the Louisiana legislative auditor (LLA); and

13 WHEREAS, Louisiana homeowners spend the highest percentage of their household
14 income on homeowners and flood insurance, according to the LLA; and

15 WHEREAS, in 2023, compared to one and six-tenths percent among other
16 hurricane-exposed states, the median Louisiana household spent two and one-tenths percent
17 of its income of homeowners and flood insurance; and

18 WHEREAS, in 2023, spending for homeowners and flood insurance as a percentage
19 of household income rose more sharply than in any year, since at least 2007, for southeastern
20 states; and

1 WHEREAS, during fiscal years 2024 and 2025, forty-five million dollars of funding
2 was allocated to provide grant funding for homeowners to upgrade roofs on existing homes
3 to the Insurance Institute for Business and Home Safety (IBHS) Fortified Roof Standard,
4 according to the LLA; and

5 WHEREAS, the maximum grant award is ten thousand dollars per home, per the
6 Louisiana Department of Insurance (LDI), however, the commissioner of insurance may
7 modify the maximum grant award; and

8 WHEREAS, according to a 2004 study by IBHS assessing damages from Hurricane
9 Charley, roofs were the building components most likely to sustain damage; and

10 WHEREAS, according to LLA, roof damage is especially problematic because it
11 allows rain to enter the home and damage the structure and its contents, and rain can allow
12 mold or fungal growth, which could render the structure uninhabitable and require the
13 homeowner to incur additional living expenses for temporary housing; and

14 WHEREAS, expenses incurred by federal, state, and local governments to help
15 homeowners recover from severe disasters can be avoided if damages are less widespread
16 and severe; and

17 WHEREAS, LDI established the Louisiana Fortify Homes Program (LFHP) to help
18 homeowners strengthen their homes against wind damage and provides grants of up to ten
19 thousand dollars for the installation of Fortified Roof upgrades; and

20 WHEREAS, according to LLA, the LFHP has grown rapidly in Louisiana over the
21 past two years. The first Fortified certificate in Louisiana was issued in March of 2008, and
22 by January 1, 2023, there were three hundred thirteen certificates issued. In 2023, for the
23 first time, funding and grants were appropriated to the program; and

24 WHEREAS, there are three Fortified designations: (1) the Fortified Roof, (2) the
25 Fortified Silver, and (3) the Fortified Gold; and

26 WHEREAS, the Fortified Roof designation requires specific upgrades to roofs,
27 which generally require moving and replacing the existing shingles or other roof covering.
28 The Fortified Roof also requires an independent contractor to confirm that the work was
29 completed and meets the standards; and

1 WHEREAS, the Fortified Silver designation incorporates all of the Fortified Roof
2 standards and adds the requirements to strengthen doors, windows, soffits, gable ends, and
3 chimneys to be more wind resistant; and

4 WHEREAS, the Fortified Gold designation is the highest level of protection, which
5 includes all elements of the Fortified Roof and Fortified Silver designations; and

6 WHEREAS, a 2023 guide published by FEMA pre-defined mitigation packages for
7 wind retrofitting of residential buildings with basic, intermediate, and advanced packages,
8 which correspond to the Fortified Roof, Fortified Silver, and Fortified Gold designations,
9 according to the LLA; and

10 WHEREAS, the benefit of upgrading to Fortified can be evaluated using three risk
11 categories: high risk, moderate risk, and low risk. The low-risk category is designed for wind
12 speeds less than one hundred fifteen miles per hour. The moderate-risk category is designed
13 for wind speeds between one hundred fifteen and one hundred forty miles per hour. The
14 high-risk category is designed for wind speeds greater than one hundred forty miles per hour;
15 and

16 WHEREAS, the National Institute of Building Sciences has found the Fortified
17 Silver designation to be the optimal wind retrofit for plan areas with a design wind speed of
18 one hundred twenty to one hundred fifty miles per hour, which includes parishes spanning
19 from St. Tammany westward through the middle of Beauregard, those to their south, and
20 major population centers in Lake Charles, Lafayette, Baton Rouge, Hammond, Houma,
21 Thibodaux, and the north and south shore of the New Orleans area; and

22 WHEREAS, the National Institute of Building Sciences has found the Fortified Gold
23 designation is the optimal standard for highly exposed areas with design wind speeds
24 exceeding one hundred sixty miles per hour, such as Grand Isle, or areas in Plaquemines
25 Parish, such as Port Sulphur and communities located further down the river; and

26 WHEREAS, LDI should update coastal building codes to require new residential
27 construction in coastal parishes to meet the Fortified or Gold standard; and

28 WHEREAS, to date, in Louisiana, building codes do not require complete Fortified
29 resilience levels; and

1 WHEREAS, according to LLA, Louisiana insurers are required to offer premium
2 discounts for wind mitigation measures similar to those called for by the Fortified
3 requirements if the homeowner submits a Louisiana Hurricane Loss Mitigation Survey form
4 completed by a qualified inspector; and

5 WHEREAS, currently in Louisiana, the wind mitigation survey is outdated and
6 unaligned with Fortified standards, in addition, it lacks oversight and verification.
7 Louisiana's wind mitigation survey should be aligned with Fortified criteria and licensed
8 fortified evaluators should be authorized to conduct the surveys; and

9 WHEREAS, the Louisiana Department of Insurance should conduct a study to revise
10 the wind mitigation survey to align the survey with Fortified standards; and

11 WHEREAS, LDI should establish benchmark discounts similar to Alabama's
12 benchmark discounts for the Fortified Roof, Silver, and Gold designations; and

13 WHEREAS, currently in Louisiana, insurance discounts for homes built to Fortified
14 standards lack consistency and transparency; and

15 WHEREAS, currently, Alabama offers discounts of up to twenty-five to thirty-five
16 percent off the wind portion of the Fortified Roof premium; discounts of up to thirty-five to
17 forty-five percent off the Fortified Silver; and discounts of forty-five to fifty-five percent off
18 the Fortified Gold premium; and

19 WHEREAS, reducing insured losses in Louisiana would benefit homeowners directly
20 by saving them from having losses up to their deductible amount, as well as losses not fully
21 covered by insurance and non-financial losses, according to the LLA; and

22 WHEREAS, reducing insured losses benefits homeowners indirectly by (1) premium
23 discounts for homes that meet Fortified standards, (2) price competition that may attract
24 additional insurers to Louisiana's insurance market, and (3) reinsurance rate reduction which
25 would help insurers obtain reinsurance at a lower cost for their business in Louisiana, which
26 could further lead to additional consumer savings, according to LLA; and

27 WHEREAS, all admitted insurers required to file rate and rating plans with the
28 commissioner of insurance shall provide an actuarially justified discount or credit to insureds
29 who build or retrofit a structure to comply with the Fortified home or commercial standards
30 by the IBHS; and

1 WHEREAS, raising awareness regarding Fortified designations, discounts, and
2 incentives could result in an increase of compliance regarding Fortified structures and
3 consumer savings; and

4 WHEREAS, according to LLA, seventy-six percent of homeowners who applied to
5 the LFHP learned about the program through news outlets, and six to seven percent learned
6 about the program through roofers or insurance agents, which is a very small amount; and

7 WHEREAS, in addition to news outlets being a source of awareness regarding
8 Fortified designations, sources of awareness should include:

9 (1) Digital campaign advertisements through social media accounts, homeowners'
10 mailing advertisements, and newspaper outlets.

11 (2) Community-based outreach programs should be established, such as town hall
12 meetings and workshops.

13 (3) LFHP and other Fortified Home Programs website links in all advertisements.

14 (4) Ensure the LFHP and other Fortified Home Programs websites are updated with
15 current, clear, and accessible information for homeowners.

16 (5) Partnerships with home improvement stores or roofing contractors to send emails
17 to customers regarding the LFHP and other Fortified Home Programs.

18 (6) Collaborations with insurers to inform policyholders about the LFHP and other
19 Fortified Home Programs and consumer savings.

20 (7) Trained contractors promotion of the LFHP and other Fortified Home Programs.

21 (8) Radio and television advertisements.

22 (9) LFHP and other Fortified Home Programs information included in utility bills,
23 newsletters, and websites by parishes and municipalities; and

24 WHEREAS, LDI should also conduct a data call to evaluate the effectiveness of
25 Fortified structures similar to the study completed by Alabama with Hurricane Sally; and

26 WHEREAS, LDI should consider other successful Fortified Home Programs in states
27 such as Alabama to help strengthen Louisiana's Fortified Home Program; and

28 WHEREAS, LFHP promotes stronger, more resilient residential constructions, and
29 this goal cannot be furthered without LDI conducting a comprehensive study that would:

30 (1) Establish benchmark Fortified insurance discounts.

1 (2) Revise the Wind Mitigation Survey.

2 (3) Update coastal building codes.

3 (4) Implement financial and educational incentives.

4 (5) Increase awareness of the LFHP and other Fortified Homes Programs.

5 (6) Conduct a data call to evaluate the effectiveness of Fortified structures.

6 THEREFORE, BE IT RESOLVED that the House of Representatives of the
7 Legislature of Louisiana does hereby urge and request Louisiana Department of Insurance
8 to conduct a comprehensive study on incentives and standard benchmarks for integration
9 into the Louisiana Fortify Homes Program.

10 BE IT FURTHER RESOLVED that the Louisiana Department of Insurance shall
11 issue a report of its findings and recommendations to the House Committee on Insurance no
12 later than December 31, 2025.

13 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the
14 commissioner of insurance.

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)]

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