

2025 Regular Session

HOUSE RESOLUTION NO. 341

BY REPRESENTATIVES BEAULLIEU, CHASSION, AND KNOX

A RESOLUTION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

WHEREAS, LDI should evaluate and make recommendations to update coastal building codes and make recommendations for new residential constructions in coastal parishes to meet the Fortified or Gold standard; and

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

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

WHEREAS, currently in Louisiana, the wind mitigation survey is outdated and unaligned with Fortified standards, in addition, it lacks oversight and verification.

Louisiana's wind mitigation survey should be aligned with Fortified criteria and licensed fortified evaluators should be authorized to conduct the surveys; and

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

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

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

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

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

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

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

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

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

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

- (1) Digital campaign advertisements through social media accounts, homeowners' mailing advertisements, and newspaper outlets.
- (2) Community-based outreach programs should be established, such as town hall meetings and workshops.
- (3) LFHP and other Fortified Home Programs website links in all advertisements.
- (4) Ensure the LFHP and other Fortified Home Programs websites are updated with current, clear, and accessible information for homeowners.
- (5) Partnerships with home improvement stores or roofing contractors to send emails to customers regarding the LFHP and other Fortified Home Programs.
- (6) Collaborations with insurers to inform policyholders about the LFHP and other Fortified Home Programs and consumer savings.
- (7) Trained contractors promotion of the LFHP and other Fortified Home Programs.
- (8) Radio and television advertisements.
- (9) LFHP and other Fortified Home Programs information included in utility bills, newsletters, and websites by parishes and municipalities; and

WHEREAS, if a similar storm occurs before the deadline for submitting the report required by this Resolution, LDI should also conduct a data call to evaluate the effectiveness of Fortified structures similar to the study completed by Alabama with Hurricane Sally; and

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

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

- (1) Establish benchmark Fortified insurance discounts.
- (2) Revise the Wind Mitigation Survey.
- (3) Make recommendations to update coastal building codes.
- (4) Implement financial and educational incentives.
- (5) Increase awareness of the LFHP and other Fortified Homes Programs.
- (6) If necessary, conduct a data call to evaluate the effectiveness of Fortified structures.

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

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

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

---

SPEAKER OF THE HOUSE OF REPRESENTATIVES