

**For Immediate Release**  
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### **HousingLOUISIANA Statement on the Extraordinary Special Session**

This week, in an Extraordinary Special Session, the Louisiana Legislature is discussing the authorization of \$45 million in funding to entice insurance companies to return to the Louisiana markets. **We think that this is a misguided approach that will lead to more harm than good.**

There are several key problems in this approach:

1. There is no guarantee that stable and reputable firms will come back to the market for these incentives.
2. Any insurers who do come back to the market will likely cherry pick from Louisiana Citizens customers with higher credit scores, higher incomes, and lower risk. There is also no guarantee that those customers will see significant savings or if they will be subjected to policies that provide skeletal coverage. Any investment of public dollars must benefit those who need help the most—those for whom the drastic increase is unsustainable for any significant amount of time.
3. This won't solve the problem. In the long run, Louisiana has to stop investing in outside companies and entities to save us. We must invest in ourselves. In our communities.

There have been several solutions that have been proposed and, first and foremost, we urge the legislature to reject this band-aid approach and put the energy into formulating a real solution. That solution must address both the short-term problem and overarching long term issue.

We would like to offer the following solutions in the short term:

1. We must stabilize Louisiana Citizens by investing in it AND allowing it to function correctly as an insurance company without the constraints that benefit the private insurance industry. That strategy was understandable when Louisiana Citizens was initially created by the legislature and there was concern that a state sponsored insurance company would drive private insurers out of the market. This crisis has been caused by the exodus of private insurance companies and can't simply be fixed by hoping they return.
2. We also recommend using one-time surplus funds to create a program that subsidizes insurance premium for low-moderate income homeowners and for landlords who are providing affordable housing. The state could fund programs like

Individual Development Account (IDA) or something similar where homeowners contribute, and their funds are matched by public dollars in an escrow account to lower increased monthly payments.

In the long term, we have to invest in improving our housing stock. Housing must be addressed as a part of the immediate and emergency response to the devastation caused by recent events, but it must also be a part of strategies that will mark every part of any recovery. Long term plans should ensure that housing is guaranteed for all, and a system is in place that helps residents mitigate the next crisis—not simply survive it. Resiliency should no longer be measured by how much devastation a community can survive; it must be measured by the ability to protect and shelter the most vulnerable people from disasters. The following housing policy and strategic interventions will ensure that our communities will achieve that level of resilience:

1. Building science has evolved to the point where we can strengthen homes by improving the roofing system and increase the property's ability to withstand the next storm.
2. Support the implementation of Energy Conservation Code 2021 in Louisiana and ensure that Code Enforcement officials have the resources necessary to implement the new code.
3. We can deepen the impact of this recovery by implementing a people-centered approach to disaster recovery that lifts the people who have been left behind by past efforts and that any disaster funding allows for home repairs that will meet Energy Conservation Code and the updated roofing standards.

In May 2020, HousingLOUISIANA released an [advisory](#) warning policy makers, community leaders and partners about a “perfect storm” that would devastate Louisiana if not interrupted. HousingLOUISIANA, which represents affordable housing advocates, developers, and constituents from nine regions across our state, wanted bring attention to the connection between affordable housing and property insurance as we were heading into Hurricane season amid the already unstable COVID-19 climate. In the strongest terms we wanted leaders to understand that Louisianians need not only education, but real support when it comes to insurance. Unfortunately, those pleas went unheeded and state leaders left the remaining Road Home Funds unused and have since struggled to deploy American Rescue Plan housing funds designed to help with rent, utilities, and mortgage payments.

In the past 20 months, our concerns have borne fruit and the state's property insurance market is in free fall. Initially, there was much more effort and advocacy around the National Flood Insurance Program. Many thought that Congress, prodded by members of the Louisiana delegation, would reform the program. That did not happen, instead FEMA [debuted Risk Rating 2.0](#) in October 2021 which dramatically increased flood insurance across southern Louisiana including areas that had never experienced flooding.

This blow would be devastating enough for the people of Louisiana, but the insurance woes weren't done. After a series of storms devastated Louisiana, we found ourselves facing another crisis. Fly by night insurance companies who had come to profit off our problems started to collapse. Property owners, including landlords with low-to-moderate income households found themselves forcibly placed with the insurance of last resort, AKA Louisiana Citizens. Late last year, Louisiana Citizens was [authorized](#) to increase its premiums an average of 63% across the board. This has resulted in thousands of property owners whose insurance premiums have dramatically increased, forcing them to pass those costs on to their renters. Additionally, homeowners are also struggling with many paying more towards their insurance and property tax escrows than their principal and interest payment.

Geographically, Louisiana is in the path of many storms, and we are constantly recovering from a natural disaster, yet we never seem to reach full recovery before the next disaster impacts our communities. Resources pour in but are all too often distributed to the people and businesses who need them least, by politicians beholden to political donors. This pattern of behavior has left us with a weakened infrastructure and little capacity to actually become resilient. Instead, the people of Louisiana exist in a forced reality of living with less, simply because state and local governments refuse to center its recovery around the needs of people.

“The Louisiana Legislature must resist the impulse to simply give money to the private insurance industry when there is no proof that this will work, says Andreanecia Morris, President of HousingLOUISIANA. “The plan that has been proposed by the Commissioner has failed before—after Hurricane Katrina. Despite this pattern, the unprecedented influx of investment in our state via the American Rescue Plan and the American Jobs Plan affords us an opportunity to make this recovery different. This insurance crisis provides an opportunity for traditionally marginalized participants to gain access to policymakers and advocate for policy proposals. By ensuring resources go to the people who need them most, we can move from a state of constant crisis to a state full of thriving communities where people are actually centered and given what they need.”

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*[HousingLOUISIANA](#) is a statewide initiative aimed at meeting Louisiana's housing needs and create a statewide network of regional housing alliances to ensure better collaboration across the state. Under the #PutHousingFirst banner, Louisiana has built out its Housing Triad, a multi-pronged strategy transforming the affordable housing marketplace across the state. This alignment supports a housing-centered foundation for intersectional community-rooted initiatives designed to respond to climate change, criminal justice reform, racial inequity, the COVID-19 pandemic, and the hurricanes that have devastated South Louisiana over the past two years.*