



# Consumer Federation of America

April 22nd, 2024

Louisiana Insurance Committee  
Louisiana State Senate  
900 North 3<sup>rd</sup> Street  
Baton Rouge, LA 70804

Re: Support SB 484—Property Insurance—Provides for Changes to Louisiana Fortify Homes Program

The Consumer Federation of America (CFA) strongly supports SB 484, which would require insurance companies to offer substantial premium discounts or rate reductions for homeowners and commercial property owners who undertake mitigation measures or build new properties intended to reduce risk. This bill would help ensure that the benefits of mitigation efforts are passed along to consumers, instead of being kept by insurance companies solely to increase their profits.

Climate change is causing stronger and more frequent hurricanes and other natural disasters, as well as extreme weather conditions, which, in conjunction with ever escalating reinsurance prices from the unregulated global reinsurance market, are resulting in skyrocketing homeowners insurance costs for Louisiana consumers.<sup>1</sup> At least twenty insurance companies have left the state over the past three years and the Legislature enacted a \$45 million incentive program to attempt to lure companies back.<sup>2</sup>

In response to this crisis, the Legislature created the Louisiana Fortify Homes Program, which provides grants of up to \$10,000 to homeowners so they can upgrade their roofs to standards set by the Insurance Institute for Business and Home Safety. These strengthened roofs are better able to withstand hurricane-force winds. Only primary residences with proof of active insurance policies are eligible.

SB 484, sponsored by Senator Royce Duplessis, would strengthen this program. First, it requires the Louisiana Insurance Department to apply for grants or funds from the federal government or other funding sources, in order to supplement the funds provided by the state government. In the face of the homeowners insurance crisis, the Fortify Homes Program needs substantially more funding, and this is a welcome step forward. Second, the bill states that the program may provide grants or funding to nonprofits if they retrofit properties to reduce risk or resist loss.

Finally, SB 484 requires insurance companies to provide premium discounts or insurance rate reductions in the range of 20-30% to any homeowners who build or locate residential or

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<sup>1</sup> “Climate Change Is Causing an Insurance Crisis in Louisiana.” By Leslie Kaufman. Bloomberg News. September 11<sup>th</sup>, 2023. Available at <https://news.bloomberglaw.com/insurance/climate-change-is-causing-an-insurance-crisis-in-louisiana>.

<sup>2</sup> “As Climate Risks Mount, the Insurance Safety Net is Collapsing.” By Lois Parshley. Louisiana Illuminator. October 11<sup>th</sup>, 2023. Available at <https://lailuminator.com/2023/10/11/climate-insurance/>.

commercial properties to reduce risk and resist losses resulting from hurricanes, tornadoes, or other catastrophic windstorm events. When consumers and taxpayers invest in lowering the amount of risk associated with home in the state, insurance companies should discount premiums to account for that loss mitigation investment.

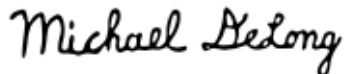
The requirement of premium discounts or rate reductions for consumers is an essential safeguard, ensuring that their premiums more accurately reflect the efforts they have taken to reduce their risk.

CFA urges your support for SB 484. Please contact us at [mdelong@consumerfed.org](mailto:mdelong@consumerfed.org) with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Heller", with a long horizontal flourish extending to the right.

Douglas Heller  
Director of Insurance  
Consumer Federation of America

A handwritten signature in black ink, appearing to read "Michael DeLong", written in a cursive style.

Michael DeLong  
Research and Advocacy Associate  
Consumer Federation of America