Jefferson EDGE 2020 Strategic Implementation Plan:

INSURANCE

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A major impediment to businesses within Jefferson Parish and the New Orleans metropolitan area in the three and a half years since Katrina has been property and casualty insurance coverage. Almost every business relies on the availability of comprehensive, competitively priced property insurance. A challenging insurance market is nearly as trying for the individual homeowner as it is for the typical business. Substantially higher insurance premiums and deductibles for a homeowners policy could turn a previously affordable monthly house note into a financial nightmare.

Unfortunately, there are no simple solutions to Louisiana's present insurance predicament. For as essential as it is, insurance rests squarely in the private sector, unlike other necessities such as policing, roads, and other basic community infrastructure. As private providers of this service, insurance companies decide to write policies in a particular geographical area at their discretion. They will only write policies and will only charge affordable premiums if they feel they can make a profit in a given geographical area. In light of this market dynamic and in light of the fact that Louisiana is a relatively small state that accounts for a small fraction of the American insurance market, the state does not have substantial leverage to influence the cost and availability of property insurance.

In spite of these constraints, Louisiana over the past three years has taken a number of major steps to encourage more competition in the insurance market, to improve flexibility for insurance companies as they establish their rates, and to make our communities more resilient against hazards and flooding. However, there are still many outstanding action items and policy changes at the local, state, and federal level that will help to foster the kind of stable insurance market that will make Jefferson a better place to live and to do business.

The Insurance Market – An Overview

The insurance industry operates on a national and even international scale. Because of the geographical reach of major insurance companies and the potential for tremendous, disaster-related losses, it is in the best interest of the insurance companies to minimize risk by minimizing exposure to hazards—though within reasonable bounds. The insurance company must balance a desire for additional market share and additional revenue against the potential for a multi-billion dollar liability in the wake of a major disaster.

While property insurance is arguably just as essential to a community as publicly provided, publicly maintained infrastructure, the availability of affordable property insurance is entirely driven by profit. This system works well in most communities, but when a community is particularly hazard-prone or has recently been impacted by a hazardous event, the typical equilibrium between risk and reward is upset. At that point, insurance companies at their own discretion may choose to suspend activity in that market. There is no overarching federal mandate to provide property insurance in a particular community, so a community that is no longer an attractive market to insurance companies is in a bind—unable to access what is essentially a prerequisite for economic activity. Southeast Louisiana has found itself in exactly this predicament since Hurricane Katrina.

Damages from Katrina were estimated at over $40 billion for private insurers.

The Insurance Market in Louisiana

The insurance market in the United States is better appreciated as 50 distinct sub-markets, all with unique rules and regulations. Private insurers are able to evaluate each state on the basis of the size of the potential market (population, business activity), the regulatory and business climate, and the state's vulnerability to natural hazards. Unfortunately from the standpoint of state government, only one of these three considerations can be easily manipulated. The ability of an individual state to attract a large number of insurance companies and to cultivate a competitive market, therefore, is largely beyond the control of state government.

Louisiana, as one of these 50 distinct insurance markets, faces significant challenges in attracting private insurers. For one, Louisiana is not a particularly large or wealthy state. Secondly, Hurricanes Katrina and Rita utterly shattered any sense of security from hurricanes that had previously existed. The combined economic damage from the two storms—estimated at over $100 billion dollars—was three times that of the next most costly disaster in American history. Finally, Louisiana has the

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reputation for not being a business-friendly state. Particularly damaging is Louisiana's reputation for political corruption. Given that the insurance industry is so regulated at the state level, transparency and high ethical standards are essential to fostering a more competitive insurance market.

Recent Accomplishments in Insurance

Since Katrina, Louisiana has combined reforms aimed specifically at the insurance industry with other initiatives that have helped to improve the overall climate for property insurance. While insurance remains substantially more expensive than before Katrina, coverage is becoming more available; and the cost of policies is beginning to fall. The major legislative actions and policy changes that have been enacted recently include the following items:

New construction must now adhere to the statewide building code.

- Creation of the $100 million Insure Louisiana Incentive Fund
- Elimination of the Louisiana Insurance Rating Commission
- Adoption of a geographically based "zone deductible" system
- Enactment of a statewide building code
- Significant improvements to the hurricane protection system in the New Orleans area
- Adoption of comprehensive ethics reform legislation
- A number of court rulings that foster a more competitive insurance climate

Insurance Action Items

There are a number of actions that should be pursued at the local, state, and federal level to improve the local insurance market. These generally can be categorized as actions that will strengthen risk mitigation, actions that will address the insurance climate through federal and state policy measures, and actions that will promote a better informed and engaged community of policyholders.

1. **Aggressively support the accelerated implementation of the Jefferson EDGE 2020 Flood Protection plan.**
2. **Strongly oppose efforts to reverse the mandatory statewide building code.**
3. **Support efforts at the state and local levels to ensure more intelligent building practices.**
4. **Extend the Insure Louisiana Incentive Program to allow for further distribution of incentive funds to attract private insurers to the state.**
5. **Support statewide efforts for tort reform.**
6. **Advocate forcefully for the establishment of a federal catastrophe insurance fund.**
7. **Advocate for reforms to the National Flood Insurance Program (NFIP).**
8. **Examine the feasibility of other insurance reform proposals at the national level.**
9. **Create a formal, unified mechanism for outreach to businesses on insurance matters.**
10. **Encourage businesses in Jefferson and throughout the metropolitan area to join regional and national coalitions to advocate for comprehensive insurance reform.**

Conclusion

In the past several years, the State has been especially aggressive in passing reforms and in introducing incentives to foster a more favorable insurance climate. These efforts have begun to bear fruit, but more action—including ambitious legislation at the federal level—is needed to effectuate lasting changes in the marketplace. Through the implementation of this plan, Louisiana and the New Orleans metropolitan area will decrease their exposure to natural hazards, improve the overall business climate for insurance companies, and reduce the likelihood of severe disruptions in the property insurance market in the future.

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Introduction

As Jefferson Parish continues to address quality of life issues through the Jefferson EDGE 2020 initiative, the larger context in which these issues are examined has shifted somewhat since the start of the EDGE 2020 process. Dynamic conditions, both nationally and internationally, directly shape local policy choices, but they also provide valuable lessons and points of comparison for the immediate challenges that Jefferson Parish faces. For example, the worldwide financial crisis that has unfolded over the past several months has underscored the fact that there are certain elements of our economic system that are absolutely essential to a functioning, growing economy. The scarcity of credit and financial institutions' extreme caution in their lending practices have severely hampered the ability of businesses to make basic capital investments, to purchase essential goods and services, and to take the kinds of risks that are critical to any growing business.

Businesses in Jefferson Parish and the New Orleans metropolitan area in general have encountered a similar, equally fundamental stumbling block in the three and a half years since Katrina in the form of property and casualty insurance coverage. Almost every business—but particularly those businesses that have major capital assets—relies on the availability of comprehensive, competitively priced property insurance. Insurance functions as a hedge against unpredictable, costly events that otherwise could utterly wipe out a business's operations. Apart from its practical necessity, insurance is also mandated by lending institutions that provide financing for the purchase of property and other assets. In the absence of adequate insurance coverage, companies risk going into default on any mortgages or other loans that they may have.

A challenging insurance market is nearly as trying for the individual as it is for the typical business. Substantially higher insurance premiums and deductibles for a homeowners policy could turn a previously affordable monthly house note into a financial nightmare. Higher insurance costs, therefore, could encourage families to relocate to a more affordable residential market and could serve to discourage new families from purchasing a home in the subject community.

In most other areas of the country, insurance is something that most businesses and homeowners take for granted. In other communities, property insurance is rarely an incidental cost, but it is something that is generally available (first and foremost) and something that is available at competitive, reasonable rates. This has not been the case in the New Orleans metropolitan area in the more than three years since Katrina. There are innumerable cases of businesses and individual homeowners that have had to grapple with high-deductible policies, unprecedented premiums, and—most distressingly—the basic unavailability of coverage. As it is largely up to the discretion of the private insurance carriers as to whether they will write new policies in a given area, some businesses and property owners simply cannot find *any* coverage and are left to self insure their assets at considerable personal risk. While access to insurance has improved somewhat over the past three years, particularly for commercial property insurance, the premium pricing and coverage terms have remained a major financial concern for both businesses and homeowners.

Without question, insurance is fundamental to the economic competitiveness of Jefferson Parish. In the absence of affordable, adequate insurance coverage, Jefferson faces tremendous challenges both in retaining the companies that are currently located here and in attracting new companies from other areas that do not face an insurance crisis. Business owners would likely be unanimous in citing the security of their investment as one of the most important principles for doing business in *any* geographical area. Adequate, reasonably affordable insurance coverage is synonymous with this principle.

Unfortunately, there are no simple solutions to Louisiana's present insurance predicament. For as essential as it is, insurance rests squarely in the private sector, unlike other necessities such as policing, roads, and other basic community infrastructure. As private providers of this service and as entities that frequently have a global reach, insurance companies decide to write policies in a particular geographical area *at their discretion*. They will only write policies and will only charge affordable premiums if they feel they can make a profit in a given geographical area. If the market does not appear to be profitable, they can simply choose to take their business elsewhere. In light of this market dynamic and in light of the fact that Louisiana is a relatively small state that accounts for a small fraction of the American insurance market, the state does not have substantial leverage to influence the cost and availability of property insurance.

In spite of these constraints, Louisiana over the past three years has taken a number of major steps to encourage more competition in the insurance market, to improve flexibility for insurance companies as they establish their rates, and to make our communities more resilient against hazards and flooding. This report will specifically enumerate the legislation that has been passed and the other policies that have been implemented to improve the availability and affordability of insurance in the state. This report will also outline the outstanding actions that are needed at the local, state, and federal level to ensure the kind of stable insurance market that will make Jefferson a better place to live and to do business.

The Insurance Market – An Overview

In spite of the central importance of insurance to the economy and housing market of a given community, the dynamics of the insurance industry are rather poorly understood. In order to more fully grasp the insurance problems that southeast Louisiana is facing and in order to understand both policy constraints and potential solutions, one must first have a general familiarity with the dynamics of the industry. Perhaps the single most important concept to convey is that the insurance industry operates on a national and even international scale. The size of major insurance companies such as Allstate and State Farm is substantially greater than the largest companies in the New Orleans area. Revenues in 2007 for these major insurers were on the order of 37 billion and 62 billion dollars, respectively, and the assets they control are even greater.[1] With that kind of corporate reach comes a cost, however. When major disasters strike, payouts to claimants can run in the tens of billions of dollars. For instance, total claims for Hurricane Katrina-related damage came to approximately $40.6 billion dollars for private insurers and caused over $100 billion in economic damages.[2] The four hurricanes that struck Florida in the summer of 2004—Charley, Ivan, Frances and Jean --carried a price tag of $25.1 billion for private insurers in 2007 dollars.[3]

Damages from Katrina were estimated at over $40 billion for private insurers.

Because of the geographical reach of these major firms and the potential for tremendous, disaster-related losses, it is in the best interest of the insurance companies to minimize risk by minimizing exposure to hazards—though within reasonable bounds. There is a complex decision calculus that every insurance company must consult in determining whether to write policies and to increase exposure in different regions of the world. Especially in those areas that are most prone to catastrophic loss (whether from a hurricane, earthquake, tornado, or some other hazard), the insurance company must balance a desire for additional market share and additional revenue against the potential for a multi-billion dollar liability in the wake of a major disaster. The geographically specific deductibles and policy premiums set by companies' actuaries attempt to reflect this risk/reward calculus that is unique to the circumstances of every area.

Thus, while property insurance is arguably just as essential to a community as publicly provided, publicly maintained infrastructure, the availability of affordable property insurance is entirely driven by profit. This system works well in most communities, but when a community is particularly hazard-prone or has recently been impacted by a hazardous event, the typical equilibrium between risk and reward is upset. At that point, insurance companies at their own discretion may choose to suspend activity in that market. There is no overarching federal mandate to provide property insurance in a particular community, so a community that is no longer an attractive market to insurance companies is in a bind—unable to access what is essentially a prerequisite for economic activity.

In addition to the sheer size of the industry, another aspect of the insurance market that is often overlooked is the fact that the various types of insurance that companies provide are in some ways interrelated. There are three main categories of insurance: property/casualty (such as business interruption and product liability), annuities, and life/health insurance. Many companies that write property insurance policies also write casualty policies, so fluctuations in one product or "line" of insurance can have an impact upon other lines. If for example, a community has an adverse regulatory climate with respect to workers' compensation or automobile insurance, the costs associated with that line of insurance may be passed along to individuals that are in the market for a homeowners policy. Consequently, in devising policy prescriptions to deal with insurance problems, lawmakers should not view each insurance product as a completely discrete entity. The overall insurance climate, relative to issues such as a community's regulatory environment, litigiousness, and overall market conditions, must be examined.

Relative to property insurance, another key nuance that warrants emphasis is the distinction between flood insurance and a private property/homeowner's insurance policy that covers hazards such as fire and wind damage. For any homeowner or commercial property owner in the New Orleans area who experienced flood damage from Hurricane Katrina, the distinction between the two types of coverage is clear. For properties outside of a Special Flood Hazard Area (a "flood zone"), the difference may be less well understood. Whereas a property/homeowners policy is underwritten and administered by a private insurer, a flood insurance policy is a federally funded form of insurance that was created by the National Flood Insurance Program (NFIP), established in 1968. While administrative responsibility for a flood insurance policy falls upon private insurers, flood insurance risk maps, premiums, and claims are all the responsibility of the federal government.

Flood related damages are covered by federally funded flood insurance policies, not by homeowner policies.

Given the clear distinction between these two forms of insurance, why then does Louisiana find itself in such an adverse property insurance climate? After all, in the New Orleans metropolitan area, the overwhelming amount of the damage from

Hurricane Katrina stemmed from flood, rather than wind, damage. There are several reasons why Katrina—despite being primarily a flood event—severely impacted the property insurance market. The first is that damage cannot always be easily ascribed to one hazard or the other. For example, if a house suffered both roof damage from high winds and flooding from rising water, it is difficult to quantify precisely those damages that are attributable to rain water and those that are attributable to floodwater. This ambiguity can lead to inaccuracies in ascribing damage to the private insurer and, at a minimum, can result in a prolonged battle with the claimant, resulting in substantial administrative costs to the insurance company. The second reason why Katrina severely impacted the property insurance market is that multiple lawsuits were filed that attempted to place responsibility for floodwater damage upon the private insurer rather than the NFIP program. Several suits claimed that since the storm surge flooding from Katrina was the result of a levee breach rather than a natural flood condition, storm surge flooding would lie beyond the standard definition of "flood" and therefore would be the responsibility of the property insurance policy.[4] Even though this argument was rejected by the U.S. Fifth Circuit Court of Appeals, the fact that a potentially very costly suit was filed and the fact that a prolonged legal battle has ensued are enough to make private insurers skittish about the insurance market in southern Louisiana. The final reason why Hurricane Katrina adversely affected the property insurance market is the simple fact that Katrina did cause a tremendous amount of wind damage. FEMA classified fully 35,924 housing units in the "major" or "severe" damage categories solely as a result of wind damage. This figure comprises 17.5% of the 205,000 housing units in Louisiana that were considered to have suffered major or severe damage.[5] Thus, while the flooding related to Hurricane Katrina received the most attention and caused the greatest damage, the Hurricane resulted in numerous claims on conventional property insurance policies.

A final critical aspect of the insurance market that must be understood in order to craft effective public policy is the concept of reinsurance. As unlikely as the concept sounds, the reinsurance market actually furnishes insurance companies with insurance against a major catastrophic loss. To protect themselves against the kind of aggregate claims that can result from a major disaster on the scale of Hurricane Katrina, some primary insurance companies pay reinsurance companies to assume fiduciary responsibility for claims arising from extraordinarily costly disasters. These reinsurance companies, therefore, are paid a fee to maintain the liquidity to cover disaster related damages in the billions of dollars. The reinsurance industry, therefore, functions as the ultimate "backstop" against catastrophic property losses. Because primary insurers' willingness to write policies hinges, in part, on the cost and availability of reinsurance, the two markets are interrelated and collectively influence the cost of the average property insurance policy.

The Insurance Market in Louisiana

As was alluded to earlier, there is no federal mandate or comprehensive suite of federal regulations governing the insurance industry. Consequently, the insurance market in the United States is better appreciated as 50 distinct sub-markets, all with unique rules and regulations. While this arrangement helps states to craft regulations that respond to each state's unique conditions, it presents a number of challenges. Private insurers are able to evaluate each state on the basis of the size of the potential market (population, business activity), the regulatory and business climate, and the state's vulnerability to natural hazards. Unfortunately from the standpoint of state government, only one of these three considerations can be easily manipulated. The ability of an individual state to attract a large number of insurance companies and to cultivate a competitive market, therefore, is largely beyond the control of state government.

Louisiana, as one of these 50 distinct insurance markets, faces significant challenges in attracting private insurers. Louisiana is not alone in this regard, as some states are at a greater risk than others for any number of potentially costly hazards, such as forest fires, earthquakes, tornadoes, flooding, and terrorist attacks. Nonetheless, Louisiana does face a number of challenges that many other states are not confronted with. For one, Louisiana is not a particularly large or wealthy state. With 4,293,204 residents (population), Louisiana is the 25th largest state in the country. With a median family income of $50,727, it is only the 46th wealthiest state in the United States.[6] Thus, unlike states like California, Texas, and New York, insurance companies do not *need* to be in Louisiana from the standpoint of market share and profit motive. This is especially true in a small state with the kind of natural hazard risk that Louisiana has. Insurance companies have long accounted for the risk of hurricanes in coastal communities in devising the terms of their property insurance policies, but Hurricanes Katrina and Rita fundamentally changed the industry's perception of risk in the region.

Until relatively recently, the New Orleans area was actually viewed as a community *to which* individuals could evacuate in the event of a hurricane. The rationale was that the metropolitan area's exposure was substantially less than that of other communities due to the levee protection system and due to the fact that the New Orleans region is not situated directly on the coast. Even prior to the summer of 2005, however, concerns about the area's vulnerability were beginning to grow. The disappearance of the state's wetlands—a natural buffer against storm surge—coupled with more sophisticated hurricane models suggested that the community faced a significantly greater risk than was originally thought. The final verdict, of course, came in the form of Hurricanes Katrina and Rita. The two storms utterly shattered any sense of security that had previously existed. The combined economic damage from the two storms—estimated at over $100 billion dollars—was three times that of the next most costly disaster in American history, the terrorist attacks of September 11, 2001.[7] Whereas hazard risk in most other communities is understood as an abstract possibility, in the New Orleans region it is a matter of recent history.

The final challenge that Louisiana faces in cultivating a more competitive insurance market is overcoming the state's reputation for not being business friendly. Particularly damaging is Louisiana's reputation for political corruption. Given that the insurance industry is so regulated at the state level, transparency and high ethical standards are essential to fostering a more competitive insurance market. Louisiana's sullied reputation in this regard is well deserved: three of the past five insurance commissioners have been imprisoned for corruption.[8] Because of this unfortunate track record, the state must be especially aggressive in demonstrating real progress in creating a more ethical, business friendly climate.

Fortunately, that is exactly what the state has done since Hurricane Katrina. As was discussed earlier, there is much about the insurance climate that is effectively beyond the reach of public policy. Nonetheless, there are a number of creative ways to overcome these limitations, to draw additional insurance companies to Louisiana, and to cultivate a healthier, more affordable property insurance market.

Recent Legislative and Policy Initiatives

Louisiana is not the only state that has had to deal with the impact of major hurricanes. Since 2004, Texas, Mississippi, Alabama, and Florida have all been severely impacted as well. Mississippi and Florida, in particular, offer interesting points of comparison as to how state governments can address insurance problems stemming from a major catastrophe. Florida, Mississippi, and Louisiana have all taken very unique paths in attempting to make insurance more predictable, available, and affordable to their residents and businesses.

Florida

The origin of Florida's response to problems in their property insurance market can be traced to the aftermath of Hurricane Andrew in 1992. At the time, Andrew was the most costly natural disaster in American history, as it was responsible for over $15 billion of damage in the Miami area alone in 1992 dollars.[9] The response of private insurers at the time was very similar to their response in Louisiana after Hurricanes Katrina and Rita: insurers stopped writing policies. The little amount of private insurance that remained in the immediate aftermath of Andrew was extraordinarily expensive. Florida's response to this quandary was essentially to socialize the property insurance market. The state created a publicly funded catastrophe fund that was designed to function as a reinsurer of last resort in the event of a major hurricane. The fund was paid for through public tax dollars as well as through a surcharge on private insurance policies. The argument for this measure was that it would alleviate risk for the private insurers by transferring more of that risk to the state government, thereby encouraging private insurers to continue writing policies.[10]

This system has worked reasonably well in that insurance companies have remained in Florida in spite of the tremendous risk associated with insuring such a large coastal population; however, this approach carries a tremendous potential cost. The public catastrophe fund was able to cover the losses from the four storms that struck Florida in the summer of 2004, but those losses effectively exhausted the fund.[11] As a result, Florida has dug itself into a serious fiscal predicament. If another major storm on the order of Hurricane Andrew or Hurricane Ivan were to hit the state, the catastrophe fund simply would not have the resources to cover those losses. How the state would respond to such an event is the great unknown. Such a scenario could result in a massive tax increase, severe budget cuts, the state's incurring an enormous amount of public debt, and/or the request for substantial federal assistance. Whether or not the state will actually be confronted with this scenario in the near future, the lesson from Florida's experience is clear. The idea of largely transferring the risk of a catastrophic event to the public sector is not a fiscally prudent approach to the problem. A single state in a hazard prone area—even a state with the population and relative wealth of Florida—does not have the resources to adequately pay for a state managed catastrophic reinsurance fund. In the case of Louisiana, a state funded insurance backstop program would be even less attractive than in Florida, as substantiated in a study commissioned by the Louisiana Recovery Authority in 2006.[12]

Mississippi

When public policy solutions are debated, the metaphor of the carrot and the stick is frequently used. While the former generally represents incentives toward some desirable outcome, the latter represents the punitive regulatory and enforcement measures that can be utilized to encourage or discourage certain activities. Since the devastation caused by Hurricane Katrina, Mississippi has aggressively pursued the "stick" approach, pressuring companies to keep their rates low, passing regulatory measures to limit their ability to modify the terms and conditions of their property insurance policies, and generally taking an adversarial approach to the industry.[13] The problem with this approach is that private insurance companies are not *required* to do business in Mississippi. As was discussed earlier, the insurance industry does billions of dollars of business all across the globe. A single commissioner of insurance and a single state legislature have very little leverage to compel insurance companies to provide coverage in their state. The resounding response of private insurers since Katrina has been to leave Mississippi, thereby further reducing the availability and further increasing the cost of property insurance. A small state with a coastline that is vulnerable to catastrophic losses is not in the position of dictating how the insurance industry should provide coverage. Taking the hard line, "stick" approach—while politically popular[14]—has only artificially delayed the recovery of the property insurance market in Mississippi.

Louisiana

Louisiana, meanwhile, has taken a very different approach. Since Katrina, the state has combined reforms aimed specifically at the insurance industry with other initiatives that have helped to improve the overall climate for property insurance. Recognizing that the insurance industry has the ability to avoid Louisiana altogether, the state has focused on more of the "carrot" approach to cultivating a more competitive, affordable marketplace. While insurance remains substantially more expensive than before Katrina, coverage is becoming more available; and the cost of policies is beginning to fall. The major legislative actions and policy changes that have been enacted recently include the following items:

- In the 2007 legislative session, a special $100 million insurance incentive fund—the Insure Louisiana Incentive Program—was established to encourage insurers to write policies in the state. In order to access public incentives ranging from a minimum of $2 million to a maximum of $10 million, private insurers are required to write an equivalent amount in new property policy premiums. To address concerns that Louisiana's own insurer of last resort, the Louisiana Citizens Property Insurance Corporation[15], was assuming too great of the burden of new property insurance policies, private insurers participating in the incentive fund program are required to reduce Citizens' market share. A minimum of 25% of the new policies generated from the Insure Louisiana Incentive Program must be from Citizens' present customer base.[16] This program is already viewed as a success. In the first round of grant requests, $29 million of the total incentive fund was used to encourage five new firms to write policies in the state.[17] The firms that are being targeted are the so-called "regional" and "superregional" firms—companies that are considerably smaller than the industry giants but whose presence will help to inject badly needed competition into the property insurance market. Subsequent tranches of the $100 million fund were marketed to other insurance companies. The state insurance commissioner is hopeful that these efforts will result in the removal of an additional 40,000 policies from Citizens' coverage.[18]

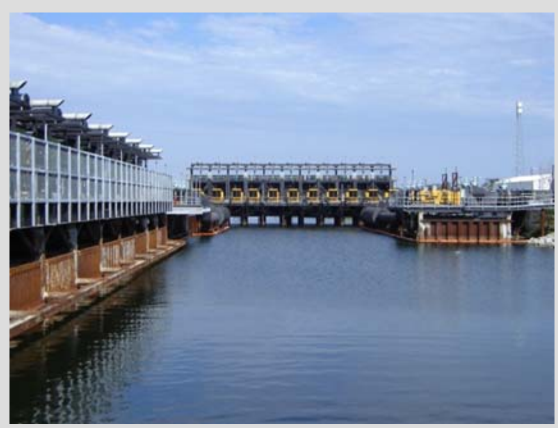
- In 2007, the Louisiana Insurance Rating Commission, a politically appointed body that was charged with reviewing proposed rate increases, was dissolved. Before the rating commission was eliminated, Louisiana was the last remaining state in the country to have a publicly appointed body charged with reviewing, approving, or denying proposed changes in insurance premiums. While in recent years, the board approved virtually every one of the rate increases that was submitted, it was perceived as a major regulatory hurdle and disincentive to doing business in the state. Private insurers were leery of the potential for grandstanding on the part of board members and the possibility that they would take irrational yet politically popular stances against reasonable rate increase proposals. Indeed, in a blind survey of private insurance companies undertaken by former Insurance Commissioner Robert Wooley, the existence of the rating commission was cited as the single greatest disincentive to doing business in Louisiana.[19] Since the elimination of the commission in 2007, all rate increases are now reviewed by professional staff actuaries employed by the State Department of Insurance.

- In 2008 a geographically based "zone deductible" system was established whereby insurers now have greater flexibility to adjust deductibles for "named storms" for those homeowners policies that are more than three years old. In the past, insurance companies had little flexibility in this regard. They could only increase hurricane damage deductibles for older homeowners policies in a particular area of the state if they made the same adjustment to homeowners policies throughout the *entire* state.[20] The new, zone-based system gives insurers substantially greater flexibility and allows them to set terms that are more in line with the actual risk to the structure in question. In exchange for this new flexibility, the insurance company that proposes higher deductible policies in a particular sub-area or "zone" must agree to write additional new policies within that area.

- In December 2005, Louisiana enacted its first statewide building code, following the lead of Florida, which had adopted a statewide code in 2003. Prior to this legislation, some areas of Louisiana were governed by locally mandated building codes while many parishes had no building code whatsoever. Many of the localities that did have building codes in place were using codes that were outmoded and not particularly exacting. In 2007, amendments to the State Building Code were passed, mandating the International Building Code 2006 (IBC) for commercial buildings and the International Residential Code 2006 (IRC) for residential structures. As a result of this legislation, the state now requires that new structures be built to an even higher level of resilience.[21] This requirement will ensure greater personal safety for residents in the event of a hurricane as well as significantly less damage to new structures built under the more demanding code requirements. This legislation has, in turn, helped to alter insurers' impression of doing business in Louisiana, insofar as it speaks volumes about the state's willingness to reduce preventable losses.[22] At a practical level, the statewide code will also help to mitigate property damage and the volume of claims to insurance companies. In order to ensure that the new codes are being implemented effectively, the State also budgeted several million dollars to establish a number of regional code enforcement offices throughout the state.

New construction must now adhere to the statewide building code.

- Improvements to the levee system are well underway, and the New Orleans area now enjoys a higher level of levee protection than at any other point in its history. Congress has appropriated over $14 billion dollars in federal funding to address flaws in the hurricane protection system and to improve the overall level of protection to withstand a "100 year" storm. The new gates, floodwalls, and enhanced levees that a 100-year system requires are scheduled to be completed by the 2011 hurricane season. Already, though, major improvements have been made to address pre-existing deficiencies. The metropolitan area, and Jefferson Parish specifically, are much more protected against tropical events than they were in the summer of 2005.[23] The Corps of Engineers' Interagency Performance Evaluation Taskforce (IPET) panel has devised detailed computer models that illustrate the flood risk that the metropolitan area faced when Katrina struck, the flood risk that it faces now, and the flood risk that the area will face when the



Major improvements to the hurricane protection system have been implemented since 2005.

100-year system is complete. These flood maps show that the investments that have already been completed in the three years since the storm have added a substantial margin of safety to homes and businesses in the metro area.

- Sweeping ethics legislation was passed during a special session of the Louisiana Legislature in 2008. Affecting not only the insurance climate but also the overall business climate in Louisiana, the numerous bills that were passed during the session will hold Louisiana lawmakers accountable to some of the most stringent ethics and disclosure standards in the entire country.

- A number of recent court rulings have sided with insurance companies in allocating damages attributable to flooding from Katrina. As was discussed earlier, a standard property insurance policy is not responsible for damage associated with flooding. Nonetheless, a number of lawsuits were filed after Katrina that attempted to hold insurance companies, rather than the federally funded National Flood Insurance Program, responsible for damage related to flooding. The plaintiffs argued (among other claims) that because the flooding was attributable to a series of engineering failures in the levee system, the property insurance policy (which would typically cover wind and fire as two principal hazards) should cover this kind of flooding as well. This argument was rejected by the 5th U.S. Circuit Court of Appeals in the spring of 2008, thereby alleviating industry concerns that they would be responsible for a large portion of the flood-related claims from Hurricane Katrina.

Insurance Action Items

An observation that has been made about the property insurance industry is that it is shaped by two motivations: fear and profit motive. In the immediate aftermath of a major disaster, fear is the dominant sentiment. The tens of billions of dollars in property damage stemming from a major disaster and the vivid images of destruction have a quieting effect on insurers' desire to be in the impacted market. Risk is re-evaluated, actuarial tables are re-calculated, and a cautious "wait and see" approach usually rules the day. As normal conditions return over time and as the familiar concerns about market share and profitability resurface, profit becomes the ascendant motivation. Gradually, insurance companies begin to return to the impacted market, albeit with more costly policies and higher deductibles. The traditional pattern after a major disaster is for the insurance market to return to a more steady-state condition about five years after a major disaster. Thus, to a large extent, the market will steady itself over time, provided that the New Orleans area is not struck by another hurricane in the interim or provided that the levee system holds as it did during Hurricanes Gustav and Ike in September of 2008.

The patient, laissez-faire approach provides small consolation, however, to the thousands of property owners and business people who are struggling to find affordable insurance in the meantime. The state has already taken many bold, proactive steps to improve the insurance climate in order to attract additional companies to the state and to foster increased competition. Also, the state government and federal government, through the adoption of the statewide building code and recent improvements to the levee system, have provided some concrete measures of protection against the underlying cause of our insurance woes—the community's vulnerability to hurricanes. Nevertheless, there are still a number of other actions that should be pursued at the local, state, and federal level to improve the local insurance market. These generally can be categorized as actions that will strengthen risk mitigation, actions that will address the insurance climate through federal and state policy measures, and actions that will promote a better informed and engaged community of policyholders, namely business and homeowners.

The specific action items that this plan recommends are as follows:

Risk Mitigation

1. **Aggressively support the accelerated implementation of the Jefferson EDGE 2020 Flood Protection plan.** The most fundamental reason for the metropolitan area's current insurance predicament is that too much of the population is at risk from hurricanes. It would be redundant to outline all of the specific steps that need to be taken to ensure a higher level of flood protection for the larger community and for Jefferson in particular. The Flood Protection element of the EDGE 2020 provides a detailed list of action items and a detailed implementation plan (similar to the format of this document) for reaching a much higher level of flood protection in the near future. Seeing the Flood Protection plan to fruition is the most important step that can be taken to protect our community and to make property insurance more affordable and more readily available. Most importantly, the Parish and the entire metropolitan area must push the federal government and the state government to stay on course in implementing flood control, levee rebuilding, and coastal restoration projects. Jefferson Parish and the business community must remain vigilant in ensuring that 100-year storm protection goals are met in the short term and that even more ambitious levels of protection are achieved in the long term.

Implementing the EDGE 2020 Flood Protection plan must be a priority.

2. **Strongly oppose efforts to reverse the mandatory statewide building code.** The adoption of a statewide building code has been widely lauded by the insurance industry as a clear indication of Louisiana's willingness to protect its communities and to mitigate future risk. Apart from what the insurance industry thinks, at its most practical level, the statewide building code will offer a much greater level of protection to individuals and their property in future storm events. Some legislators have argued that a statewide building code increases costs, especially in rural areas that did not previously have a building code, and that the statewide code should be rescinded or modified for inland parishes. The unequivocal message from Katrina and Rita is that scrimping on costs is not an effective long range strategy for an area that is as vulnerable to severe storms as Louisiana is. Also, any costs that the individual builder would save by not having a statewide building code in place would be passed along in spades to other residents of the state in the form of higher insurance costs. The statewide building code constitutes good, intelligent, forward thinking public policy. Our state government should ensure that such laws are preserved and that local governments adequately enforce these laws.

3. **Support efforts at the state and local levels to ensure more intelligent building practices.** Another principal lesson from Hurricanes Katrina and Rita is that the damage from hurricanes is not necessarily uniform across the impacted area. In New Orleans in particular, despite catastrophic breaches in sections of levees and floodwalls, there were large portions of the city that were almost completely unscathed. Those neighborhoods generally were located at the highest natural elevations in the city, as the natural elevation provided a second layer of protection against the surge-related flooding. In neighborhoods that were only moderately flooded, many older houses escaped significant damage because of traditional building techniques in which the main floor is elevated several feet above ground level. This extra "freeboard" protection was the difference between tens of thousands of dollars in damage and the incidental damage that many of these houses experienced.

   It would be completely illogical from a policy standpoint to continue to build new structures in areas that are especially vulnerable to flooding and other hazards without mitigation measures in place. At an absolute minimum, new structures in low lying, flood-prone areas should be elevated to ensure an additional layer of protection against flooding. Risky development practices in one parish impact insurance costs in every parish in the state. As a result, minimum statewide land use standards for high risk areas should be pursued through either of two mechanisms: *Louisiana's Comprehensive Master Plan for a Sustainable Coast* or the recently adopted *Louisiana Speaks* plan for southern Louisiana. Better land use practices will keep residents and property out of harm's way; they will reduce the cost of major storms to insurers; and they will therefore help to foster a more competitive, affordable insurance market. Jefferson Parish should encourage better design and land development practices through regulatory means and through formal programs that educate developers, land owners, architects, builders, and consumers. Additionally, the Parish should promote the use of new incentive programs to fund mitigation measures for existing structures.

The Louisiana Speaks Plan is a logical starting point for encouraging more intelligent building and land use practices statewide.

Public Policy

4. **Extend the Insure Louisiana Incentive Program to allow for further distribution of incentive funds to attract private insurers to the state.** The Insure Louisiana Incentive Program was originally allocated $100 million in state funding to encourage additional insurance companies to write policies in the state. In part due to the present national economic climate, an estimated total of only $39 million in incentive funds will be drawn down. The remaining $61 million is scheduled to be returned to the state to help address budgetary shortfalls.[24] While the total amount initially allocated for the program has not been utilized, the incentive program has been an unequivocal success nonetheless. Additional insurers have been drawn to the state; a substantial number of new policies have been written; and the risk exposure of the state-run Citizens Property Insurance Corporation has been mitigated. National economic conditions have lessened the industry's interest in the Insure Louisiana Incentive Program, but as the national economy recovers, there may be renewed interest and a continued need for this kind of public subsidy. The state should therefore allocate funds for a future distribution from the incentive program to continue to attract new insurance companies to the state in the coming years.

5. **Support statewide efforts for tort reform.** The legal climate in a particular state is one of several aspects that insurance companies scrutinize in determining whether to write policies in a particular market. The legal climate of a community influences insurance companies' decisions in two ways. First, state statutes that are in any way outside of the norm elicit an almost reflexive, cautious response from the industry. Companies are much less likely to direct their business to markets that have unique, unusual civil statutes. Secondly, at a more practical level, a predictable, fair legal climate poses less risk to insurance companies' bottom lines than a legal environment that is capricious. There are several ways that Louisiana can work toward tort reform and an improved legal environment. Lowering the monetary threshold for a jury trial, addressing the "direct action" statute that allows plaintiffs to sue insurance companies without suing the insured individual, moving to a merit selection system for judgeships, and modifying certain procedural rules have all been proposed as potential improvements. Jefferson Parish should work with its state legislative delegation to implement such reforms in order to make the civil judicial system fairer and more predictable.

6. **Advocate forcefully for the establishment of a federal catastrophe insurance fund.**[25] An idea that has gained some traction in the aftermath of the September 11th attacks and the Gulf Coast hurricanes of 2004 and 2005 is the concept of a federal catastrophe insurance program. The concept, in essence, is that the federal government could create a federally funded "all hazards" reinsurance fund. In the event of a major earthquake, fire, hurricane, terrorist attack, or other disaster, private insurers would cover a certain portion of damage claims arising from the disaster. Past a certain level of damage, private insurers would tap a federal catastrophe reinsurance fund that would pay for the balance of damage claims. Under this system, private insurance companies and private insurance policies would remain in place as they do today, with claims handled by private insurance companies. On the financial side, both insurance companies and the federal government would cost-share in the event of a major catastrophe—an arrangement that would dilute the associated economic risk.

   There would be a number of major advantages to the adoption of this kind of federal insurance "backstop." First, private insurers would still be responsible for some of the risk from catastrophic losses. Thus, the cost of insurance premiums and the size of deductibles would not be divorced from the unique risks that certain areas face. Consequently, there would not be major distortions in the natural market price of property insurance. Second, in those areas of the country that are vulnerable to major hazard events, there would be fewer of the fluctuations in the cost and availability of insurance that severely impair economic recovery following a disaster. In exchange for participation in the federal catastrophe fund, private insurers could be *required* to write insurance policies at a reasonable cost in the disaster impacted region. The final advantage to this concept is that it would provide the federal government with an opportunity to fundamentally restructure a number of separate, disaster-related programs that currently do not work well, including the National Flood Insurance Program (NFIP) and the Stafford Act.

7. **Advocate for reforms to the National Flood Insurance Program (NFIP).** A more incremental solution to the property insurance problem and one that may be more politically feasible is to make substantial changes to NFIP. In 2008 Congress closely considered such reforms. The proposed 2008 legislation incorporated a number of elements that would be helpful to property owners in Jefferson Parish and throughout Louisiana: increased coverage levels, optional coverage for business interruption, and the integration of wind damage into NFIP. A noteworthy policy trade off in the proposed legislation was the concept of phased rate increases to make the program more actuarially sound over time. This approach received substantial bipartisan support, including the support of Louisiana's congressional delegation.

8. **Examine the feasibility of other insurance reform proposals at the national level.** There are a number of other conceptual proposals that have been drafted at the federal level, including expansion of the Terrorism Risk Insurance Act to include catastrophic insurance and the establishment of an industry-led coastal zone property insurance program. These proposals should be reviewed for potential policy action. A congressionally appointed insurance commission may be one tangible method for evaluating all such policy proposals.

<u>Research and Education</u>

9. **Collaborate with economic development and business organizations in the metropolitan area to create a formal, unified mechanism for outreach to businesses on insurance matters.** The recent legislative accomplishments and the list of recommended action items that this report has enumerated underscore two essential points: first, that the insurance market is exceedingly complex; and second, that meaningful action must occur largely at the state and federal level. At the local level one of the only significant actions that can be pursued to improve the property insurance climate is to provide a formal mechanism for outreach to business and property owners. Because legislative and regulatory changes happen at such speed and because the insurance market is so dynamic generally, it is difficult for business and property owners to stay informed. A cooperative endeavor between local economic development organizations in the New Orleans area, Greater New Orleans, Inc., and local Chambers of Commerce could create a formal administrative position and an accompanying series of forums to deal solely with insurance issues. Modeled on the annual real estate symposiums hosted by UNO, this new arrangement could facilitate data sharing to increase awareness about the cost and availability of insurance. It could expose businesses to various techniques for reducing risk and potential losses associated with natural hazards. It could also keep businesses informed about the various regulatory and legislative developments that could affect the insurance market. Given how complex the insurance market is, providing individuals with the best available information is one of the most fundamental actions that can be undertaken to make property insurance more manageable.

10. **Encourage businesses in Jefferson Parish and throughout the New Orleans metropolitan area to join regional and national coalitions to advocate for comprehensive insurance reform.** Another important, proactive step that businesses can undertake is to join a regional or national advocacy group to push for insurance reform. At the state level one such organization is the Coalition to Insure Louisiana (CIL). At the national level, there are a number of organizations such as the National Catastrophic Policyholders Coalition that are advocating for comprehensive insurance reform. Local businesses, with the assistance provided through action item 9, should identify which group or groups best represent their concerns and interests, and they should take an active role in those organizations. This would provide businesses with more of a direct role in shaping and directing advocacy efforts.

Summary Matrix of Action Items

The following table provides a summary of recommended action items for reducing risk and improving the insurance climate in Louisiana, the New Orleans metropolitan area, and Jefferson Parish.

Action ID#	Implementation Action	Responsible Local Agencies/Actors	Benchmarks	Local Resources/Funding	Timeline
RISK MITIGATION					
I1	Aggressively support the implementation of the Jefferson EDGE 2020 Flood Protection Plan	See action matrix within the plan: www. jedco.org/ the-jefferson-edge	See action matrix within the plan: www. jedco.org/ the-jefferson-edge	See action matrix within the plan: www. jedco.org/ the-jefferson-edge	See action matrix within the plan: www. jedco.org/ the-jefferson-edge
I2	Strongly oppose efforts to reverse the mandatory statewide building code	Jefferson Parish Government, Jefferson's state legislative delegation	• Preservation of the statewide building code	• Staff time and travel costs related to advocacy, should new legislation to repeal the code arise	Ongoing, should new legislation to repeal the code arise
I3	Support efforts at the state and local levels to ensure more intelligent building practices	Jefferson Parish Government (Parish planning department), Jefferson's state legislative delegation, GNO Inc.	• At the state level, adoption of legislation mandating better land use and land development practices, consistent with Louisiana Speaks Plan • At the Parish level, conducting a review of Parish building code and land use practices to ensure adequate resilience	• Staff time and travel costs related to legislative advocacy • Staff time for locally conducted review of Parish land use and building practices	Complete local land use review in 2009 - 2010; pass state land use legislation in 2010 - 2011
PUBLIC POLICY					
I4	Extend the Insure Louisiana Incentive Program to allow for further distribution of incentive funds	Jefferson Parish Government, Jefferson's state legislative delegation	• Subsequent appropriation to the incentive fund at the request of the Insurance Commissioner	• Staff time and travel costs related to legislative advocacy	Allocate funding and re-establish program (pending recommendation of Insurance Commissioner) in 2010 at the earliest
I5	Support statewide efforts for tort reform	Jefferson Parish Government, Jefferson's state legislative delegation, Jefferson Chamber, Jefferson Business Council	• Development of a package of specific tort reform measures • Adoption of legislation by state legislature	• Staff time and travel costs related to advocacy	Develop tort reform measures and pass legislation in 2009 - 2010
I6	Advocate forcefully for the establishment of a federal catastrophe insurance fund	Jefferson Parish Government, Jefferson Chamber, Jefferson Business Council, JEDCO, GNO Inc.	• Completion of final program design in Congress • Congressional adoption of federal legislation, signed into law by the President	• Staff time and travel costs related to advocacy	Introduce and pass legislation in 2010 - 2011

Action ID#	Implementation Action	Responsible Local Agencies/Actors	Benchmarks	Local Resources/Funding	Timeline
PUBLIC POLICY (cont'd)					
I7	Advocate for reforms to the National Flood Insurance Program (NFIP)	Jefferson Parish Government, Jefferson Chamber, Jefferson Business Council, JEDCO, GNO Inc.	• Completion of final program design in Congress • Congressional adoption of legislation, signed into law by the President	• Staff time and travel costs related to advocacy	Introduce and pass legislation in 2010 - 2011
I8	Examine the feasibility of other insurance reform proposals at the national level	Jefferson Parish Government, Jefferson Chamber, Jefferson Business Council, JEDCO, GNO Inc.	• Appointment of a federal insurance commission • Introduction and passage of legislation as recommended by the commission	• Staff time and travel costs related to advocacy	Form a congressionally appointed commission in 2010; introduce and pass recommended legislation in 2011
RESEARCH AND EDUCATION					
I9	Coordinate with economic development and business organizations in the metropolitan area to create a formal mechanism for outreach to businesses on insurance matters	GNO Inc., Jefferson Chamber, JEDCO	• Determination of funding and staffing needs to support a more aggressive outreach effort • Completion of cooperative endeavor agreement to finalize funding and responsibility • Establishment of specific tasks, expectations, and responsibilities for this new role • Initiation of formal outreach effort to businesses	• Staff time related to coordination and program set-up • Total annual cost of $75,000 - $150,000	Finalize program design and initiate outreach by year end, 2009
I10	Encourage businesses to join regional and national coalitions to advocate for comprehensive insurance reform	GNO Inc., Jefferson Chamber, JEDCO	• Initiation of action item I9 to provide a venue for call to advocacy. • Monitoring and surveying participants to determine their involvement in national organizations	• Incidental administrative costs associated with action item I9	Increase advocacy by year end, 2009

Conclusion

In the more than three years since Katrina, both businesses and residents have come to appreciate how essential property insurance is to their normal operations and livelihood. The severe disruption in the insurance market immediately after Katrina has begun to subside somewhat. Over time, the insurance market will increasingly resemble the pre-Katrina market; but in the meantime, deductibles and rates remain high, and coverage remains relatively scarce.

In the past several years, the State has been especially aggressive in passing reforms and in introducing incentives to foster a more favorable insurance climate. These efforts have begun to bear fruit, but more action—including ambitious legislation at the federal level—is needed to effectuate lasting changes in the marketplace. Through the implementation of this plan, Louisiana and the New Orleans metropolitan area will decrease their exposure to natural hazards, improve the overall business climate for insurance companies, and reduce the likelihood of severe disruptions in the property insurance market in the future.

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Dottie Stephenson – JEDCO
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[1]Source: Insurance Information Institute. Industry Overview – Facts and Statistics. http://www.iii.org/media/facts/statsbyissue/industry/

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[3]Source: Insurance Information Institute. Catastrophes: U.S. – Facts and Statistics. http://www.iii.org/media/facts/statsbyissue/catastrophes

[4]In Re: Katrina Canal Breaches Consolidated Litigation. Civil Action No. 05-1482. U.S. District Court – Eastern District of Louisiana.

[5]Source: U.S. Department of Housing and Urban Development – Office Of Policy Development and Research. Current Housing Unit Damage Estimates, Hurricanes Katrina, Rita, and Wilma. Feb. 12, 2006

[6]Source: U.S. Census Bureau, 2007 American Community Survey. www.factfinder.census.gov

[7]Federal Reserve Bank of New York – Economic Policy Review, "Measuring the Effects of the September 11 Attack on New York City." November 2002.

[8]Rick Jervis, "Insurance chief up against Louisiana's past," USA Today 30 March 2008.

[9]Source: Insurance Information Institute. Catastrophes: U.S. – Facts and Statistics. http://www.iii.org/media/facts/statsbyissue/catastrophes

[10]Source: State of Florida. "Task Force on Long-Term Solutions for Florida's Hurricane Insurance Market." March 6, 2006

[11]According to a May 2006 bonding capacity analysis report on Estimated Claims—"Paying Capacity for the Florida Hurricane Catastrophe Fund"—at the beginning of FY 2006 the fund had less than a one billion dollar balance and had a maximum bond capacity of fifteen billion dollars for a single hurricane season. As illustrated within the text, hurricanes with the property and casualty damages on the scale of Katrina would not be adequately covered.

[12]Source: Louisiana Recovery Authority. http://www.lra.louisiana.gov/index.cfm?articleID=214&md=newsroom&tmp=detail

[13]Source: State of Mississippi. "Two Years After Katrina. Progress Report on Recovery, Rebuilding, and Renewal. Governor's Office of Recovery and Renewal."

[14]House Bill 1500 - Mississippi Economic Growth and Redevelopment Act of 2007 (2007 Regular Session)

[15]Citizens was designed on a very different model from the catastrophe fund established in Florida. Whereas the Florida catastrophe fund functions as the primary backstop in the event of a major storm, the Citizens program is designed to be non-competitive with the private insurance market. Because of the sheer scarcity of private insurance following Katrina, though, Citizens did find itself assuming a larger and larger share of the market, much to the concern of state leaders.

[16]Source: Louisiana Department of Insurance. "Louisiana Property and Casualty Insurance Commission Monthly Report." Volume 7, Issue 10. October 2007.

[17]Source: Louisiana Department of Insurance. "Louisiana Property and Casualty Insurance Commission Monthly Report." Volume 8, Issue 1. January 2008.

[18]Source: Louisiana Department of Insurance. "40,000 Insurance Policies to be Removed From LA Citizens." Press Release, Oct. 8, 2008.

[19]Rebecca Mowbray, "Blanco Receptive to insurance panel review," New Orleans Times Picayune 10 January 2007.

[20]Source: Louisiana Department of Insurance. "Louisiana Property and Casualty Insurance Commission Monthly Report." Volume 8, Issue 7. July 2008.

[21]Source: Louisiana Department of Insurance. "Louisiana Property and Casualty Insurance Commission Monthly Report." Volume 7, Issue 11. November 2007.

[22]Source: Louisiana Department of Insurance. "The Louisiana Property and Casualty Insurance Commission. A Summary of Legislative Considerations." Annual Report 2006-2007.

[23]These improvements are outlined in the Jefferson EDGE 2020 "Flood Protection" report. The report may be viewed at www.jedco.org.

[24]Rebecca Mowbray, "Two Insurance Companies Apply for Incentive Grants," New Orleans Times Picayune 7 March 2008.

[25]Source: 2007 National Association of Insurance Commissioners. "Natural Catastrophe Risk: Creating a Comprehensive National Plan." 2007

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