

Jefferson EDGE 2020 INSURANCE Status Report 2: October 2010

Prepared by JEDCO and GCR & Associates, Inc.

JEDCO
Jefferson Parish Economic Development Commission



Insurance

In response to concerns about quality of life in Jefferson Parish and its impact upon the community's economic competitiveness, JEDCO initiated the Jefferson Edge 2020 Quality of Life initiative. This initiative has produced eight "strategic implementation plans" which include a series of action items to address particular quality of life issues. Implementing the action items requires the total cooperation and keen interest of all involved, including JEDCO, the Jefferson Parish government, numerous other entities, and frequently State and Federal agencies. In 2008, JEDCO retained GCR & Associates, Inc. to prepare semiannual reports outlining the status of each of these action items and overall progress toward implementation.

The following table summarizes the progress made toward each of the insurance (I) action items. Insurance, however, is relatively unique among all of the EDGE 2020 action items in that progress hinges to such an extent on major reform at the state and federal level—reform that has been discussed for some time but that has not gained significant momentum in recent years. From the standpoint of JEDCO and the insurance strike force, the first measure of progress will be to increase local interest and involvement in insurance issues. To that end, there have been significant discussions around establishing an annual forum to deal with insurance issues. At the same time, businesses and business organizations, led by JEDCO, can become more involved in coalitions and advocacy groups that are pushing for significant federal reforms. In future Insurance status reports, progress may be gauged less by what is happening in Washington, DC and more by local businesses' involvement and awareness of insurance issues and reform efforts at the state and federal level. This "recalibration" of measuring progress may result in more short-term, attainable goals for JEDCO and Jefferson's business community.

I = Insurance

Action ID #	Action Item	Progress as of August 2010		
		Action Item Complete	Substantial Progress	Little/No Progress
I-1	Aggressively support the implementation of the Jefferson EDGE 2020 Flood Protection Plan			
I-2	Strongly oppose efforts to reverse the mandatory statewide building code			
I-3	Support efforts at the state and local levels to ensure more intelligent building practices			
I-4	Extend the Insure Louisiana Incentive Program to allow further distribution of incentive funds			
I-5	Support statewide efforts for tort reform	<i>Action item tabled at this time.</i>		
I-6	Advocate forcefully for the establishment of a federal catastrophe insurance fund	<i>Action item tabled at this time.</i>		
I-7	Advocate for reforms to the National Flood Insurance Program (NFIP)			
I-8	Examine the feasibility of other insurance reform proposals at the national level	<i>Action item tabled at this time.</i>		
I-9	Coordinate with economic development and business organizations in the metropolitan area to create a formal mechanism for outreach to businesses on insurance matters			
I-10	Encourage businesses to join regional and national coalitions to advocate for comprehensive insurance reform			

Insurance

Action ID #	Action Item	Original Timeline	Accomplishments/Benchmarks Met	Next Steps	Progress as of August 2010		
					Action Item Complete	Substantial Progress	Little/No Progress
I-1	Aggressively support the implementation of the Jefferson EDGE 2020 Flood Protection Plan	See action matrix within the Flood Protection Plan: www.jedco.org/the-jefferson-edge	Substantial progress has been made in implementing the EDGE 2020 Flood Protection Plan. Refer to Status Update 3 of the Flood Protection Plan for specific accomplishments.	Continue to implement the EDGE 2020 Flood Protection Plan.			
I-2	Strongly oppose efforts to reverse the mandatory statewide building code	Ongoing, should new legislation to repeal the code arise	Rural parishes continue to express some consternation about the statewide mandatory building code, but no substantive action has been taken. This action item is being marked as “complete,” though the Jefferson legislative delegation must continue to ensure the State’s commitment to a mandatory building code.	No further action at this time. Continue to monitor efforts to repeal or modify the statewide building code.			
I-3	Support efforts at the state and local levels to ensure more intelligent building practices	Complete local land use review in 2009 – 2010; pass state land use legislation in 2010 - 2011	<p>The State Office of Community Development recently released over \$8 million in funding to support planning for “resiliency” in communities. Included in this figure is a \$2,000,000 grant to Greater New Orleans, Inc. to support a “comprehensive, integrated water management strategy” for the New Orleans region, with a particular focus on Orleans, Jefferson, and St. Bernard parishes. This grant could be an opportunity to further study flood/hazard risk in Jefferson and innovative ways to reduce risk.</p> <p>The revision of the Jefferson Parish Land Use element of the Envision 2020 Plan, originally scheduled for 2011, represents another opportunity for Jefferson to re-examine its development and planning practices through the lens of hazard mitigation and resilience. While the revision is scheduled for 2011, no formal timetable has been established for this undertaking.</p> <p>The next iteration of the Jefferson Parish Hazard Mitigation Plan also presents an opportunity to revisit building and land use practices to encourage the adoption of intelligent, hazard resistant policies.</p>	<p>Monitor progress of the community resiliency grant to GNO, Inc. to ensure that intelligent building practices and hazard mitigation are integral components of the plan.</p> <p>Work with the Council and the Parish administration to establish a timetable and the commitment of resources for a review of the Land Use element of Envision 2020.</p>			

Insurance

Progress as of August 2010								
Action ID #	Action Item	Original Timeline	Accomplishments/Benchmarks Met	Next Steps	Action Item Complete	Substantial Progress	Little/No Progress	
I-4	Extend the Insure Louisiana Incentive Program to allow further distribution of incentive funds	Allocate funding and re-establish program (pending recommendation of Insurance Commissioner) in 2010 at the earliest	Action complete. For more information, refer to October, 2009 status update.	Action item complete. No further action needed.				
I-5	Support statewide efforts for tort reform	Develop tort reform measures and pass legislation in 2009-2010	During the last legislative session, Insurance Commissioner Jim Donelon proposed a bill that would have limited class action lawsuits against insurers, but the bill was killed in the Legislature. There seems to be little appetite at the state level for comprehensive tort reform, as there is scant support within the current Legislature.	This action item has been tabled indefinitely due to the infeasibility of effecting legislative action. In the near term, the Insurance Strike Force will consult the Council to Insure Louisiana (CIL) to determine how to proceed.	<i>Action item tabled at this time.</i>			
I-6	Advocate forcefully for the establishment of a federal catastrophe insurance fund	Introduce and pass legislation in 2010-2011	The best hope at the federal level for comprehensive insurance reform that would "level the playing field" for communities at risk of hurricanes has been the "Multiple Peril Insurance Act of 2009," sponsored by Representative Gene Taylor of Mississippi (aka the "Taylor bill"). As in the previous Congress, the bill passed the House of Representatives but failed to win sufficient support in the Senate.	This action item has also been tabled indefinitely due to insufficient support in Congress.	<i>Action item tabled at this time.</i>			
I-7	Advocate for reforms to the National Flood Insurance Program (NFIP)	Introduce and pass legislation in 2010-2011	As with action item I-6, major reforms to the National Flood Insurance program have been routinely voted down by the U.S. Senate. The NFIP has been temporarily extended a number of times through interim legislation, but Congress has held off on systematic reform. The temporary extensions to NFIP represent a window for major reform, but the current discord in Congress, coupled with a overloaded Congressional calendar (financial reform, healthcare reform) have thwarted major reform.	Reach out to Louisiana's congressional delegation to plot a strategy for winning approval for a long term extension of and major reforms to NFIP. Attempt to couple action item I-6 to a long term NFIP extension/reform effort. Legislative outlook will be clearer after the mid-term elections in November, 2010.				

Insurance

						Progress as of August 2010		
Action ID #	Action Item	Original Timeline	Accomplishments/Benchmarks Met	Next Steps	Action Item Complete	Substantial Progress	Little/No Progress	
I-8	Examine the feasibility of other insurance reform proposals at the national level	Form a congressionally appointed commission in 2010; introduce and pass recommended legislation in 2011	As discussed in action item I-6, the best, most tangible chance for insurance reform at the federal level is Representative Taylor's Multiple Peril Insurance Act. The legislative outlook for that bill will become clearer after the mid-term elections in November, 2010; but the near-term prospects for reform are minimal. As a result this action item has been tabled.	This action item has been tabled indefinitely due to insufficient support in Congress. As with action item I-5, the Insurance Strike Force will consult the Council to Insure Louisiana to determine how to proceed.	<i>Action item tabled at this time.</i>			
I-9	Coordinate with economic development and business organizations in the metropolitan area to create a formal mechanism for outreach to businesses on insurance matters	Finalize program design and initiate outreach by year end, 2009	On June 25, 2010, JEDCO hosted an insurance symposium at the Airport Hilton Hotel. The event was well attended by Parish business leaders and property owners and featured an expert panel of lawmakers, business people, and insurance experts. Topics ranged from pending federal action on insurance matters, to the state of the insurance marketplace in Louisiana, to recommendations for reducing insurance costs. Informal feedback from attendees appeared to be uniformly positive. The 2010 event could be the first of an annual series of insurance symposia.	Conduct informal outreach to meeting attendants to determine whether there is demand for a similar symposium in 2011 and beyond. If so, begin preliminary planning in winter, 2010/2011.				
I-10	Encourage businesses to join regional and national coalitions to advocate for comprehensive insurance reform	Increase advocacy by year end, 2010.	One of the components of the 2010 JEDCO insurance summit was to inform businesses of the importance of advocacy on insurance matters. Attendees were informed of a Louisiana based advocacy group, the Coalition to Insure Louisiana (CIL), and were encouraged to join. Also, JEDCO is now a member of CIL and, therefore, will be able to communicate to Jefferson businesses those insurance-related issues that CIL identifies as especially pressing.	Through follow up outreach, offer further encouragement to the attendees of the insurance symposium to join the Coalition to Insure Louisiana and/or other insurance reform advocacy efforts. Be proactive with CIL to craft a federal and state legislative agenda and determine how JEDCO and Jefferson businesses can contribute to further reform.				



3445 N. Causeway Blvd. Suite 300
Metairie, LA 70002
504 833 1881 fax 504 833 7676



GCR & Associates, Inc.

2021 Lakeshore Drive, Ste. 500
New Orleans, LA 70122
504 304 2500 fax 504 304 2525