

Jefferson EDGE 2020 INSURANCE Status Report 3: July 2011

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 July 2011		
		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	Action item tabled at this time.		
I-6	Advocate forcefully for the establishment of a federal catastrophe insurance fund	Action item tabled at this time.		
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	Action item tabled at this time.		
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			

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Action ID #	Action Item	Original Timeline	Accomplishments/Benchmarks Met	Next Steps	Progress as of July 2011		
					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 4 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>In the spring of 2011, Greater New Orleans, Inc. awarded a \$2,000,000 contract to a team of design, engineering, and planning professionals led by Waggoner and Ball Architects. The purpose of the contract is for a "comprehensive, integrated water management strategy" for the New Orleans region, with a particular focus on the east bank of 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. Work on this project should commence in the summer/fall of 2011.</p> <p>The next 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. The next major revision to the document was originally scheduled for 2011, though that initiative appears to be on hold indefinitely. There is no directive and no timetable from the Parish Government for completing this update.</p> <p>Finally, 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. There is no imminent timetable for the next iteration of the Parish's Hazard Mitigation Plan.</p>	<p>Monitor progress of GNO, Inc.'s water management strategy to ensure that resiliency is a principal factor in the final recommendations of the plan.</p> <p>Help to expedite the timetable for a major revision to the Parish's Envision 2020 land use plan.</p>			

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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.	No further action required.			
I-5	Support statewide efforts for tort reform	Develop tort reform measures and pass legislation in 2009-2010	During the 2010 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.	Action item tabled at this time.		
I-6	Advocate forcefully for the establishment of a federal catastrophe insurance fund	Introduce and pass legislation in 2010-2011	The legislative prospects for a "free-standing" wind/multi-hazard bill are minimal at the present. For this reason, this action item has been tabled. However, refer to action item I-7, which discusses the prospects of a wind/multi-peril component of an NFIP reauthorization bill.	This action item has been tabled indefinitely due to insufficient support in Congress for a "free-standing" bill. However, as discussed in action item I-7, work with the Louisiana Congressional delegation to include a wind/multi-peril element to the reauthorization of NFIP.	Action item tabled at this time.		

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I-7	Advocate for reforms to the National Flood Insurance Program (NFIP)	Introduce and pass legislation in 2010-2011	<p>In recent years, the National Flood Insurance Program (NFIP) has been temporarily extended a number of times through interim legislation, but Congress has held off on systematic reform. However, House of Representatives recently passed a bill for a long-term extension to NFIP. The bill would re-authorize NFIP for five years and would make a number of other substantive changes, including increasing premiums to make the program solvent and revamping flood maps. The bill now goes to the Senate for approval.</p> <p>The reauthorization of NFIP also presents an opportunity for more fundamental changes to hazard insurance. A wind or multi-peril amendment to NFIP is the most likely vehicle for substantive insurance reform at the federal level. The prospects for a “free-standing” multi-peril bill, as had been proposed in the past, are minimal at the present.</p>	Maintain communications with Louisiana’s congressional delegation on NFIP re-authorization and monitor the progress of the re-authorization bill in the Senate. Advocate for higher NFIP coverage limits and for the addition of a wind/multi-peril amendment to the Senate version of the bill.			
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	The legislative prospects for a “free-standing” wind/multi-hazard bill are minimal at the present, as are the prospects of other major federal reforms to the insurance market. For this reason, this action item has been tabled. However, refer to action item I-7, which discusses the prospects of a wind/multi-peril component of an NFIP reauthorization bill.	WThis action item has been tabled indefinitely due to insufficient support in Congress for a “free-standing” bill. However, as discussed in action item I-7, work with the Louisiana Congressional delegation to include a wind/multi-peril element to the reauthorization of NFIP.	Action item tabled at this time.		
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	Action complete. For more information, refer to October, 2010 status update. Although there is probably enough new information on changes in the market and regulatory/legislative changes to host a summit on an annual basis, there may be an interest in conducting the summit every two years.	In the winter of 2011/2012 conduct an informal survey of major Jefferson Parish businesses and property owners to determine whether there is collective interest in a second insurance summit in the spring/summer of 2012.			

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I-10	Encourage businesses to join regional and national coalitions to advocate for comprehensive insurance reform	Increase advocacy by year end, 2009	<p>The Coalition to Insure Louisiana (CIL) is a advocacy organization that has pushed for policies and marketing efforts to restore the health of Louisiana's insurance market. JEDCO is now a member of CIL, but to date, membership in the organization has not yielded an abundance of information on major trends in the insurance market and major advocacy issues.</p> <p>As an alternative to relying on CIL, there have been discussions about the possibility of JEDCO's filling that void. JEDCO staff could monitor regular publications regarding national trends in the insurance industry, such as "Insurance Journal" magazine. JEDCO could also consult with national insurance advocacy groups, such as the Natural Catastrophe Policyholders Coalition. On a quarterly or semiannual basis, JEDCO could communicate major trends and newsworthy events to landowners and businesspeople in Jefferson Parish. Prior to committing JEDCO staff time to this task, JEDCO could survey Jefferson Parish businesses to determine their insurance needs and their interest in receiving regular updates on the insurance market.</p>	<p>Continue to communicate with CIL and attempt to unite CIL members behind the priorities outlined in the EDGE 2020 insurance action plan.</p> <p>Determine the financial and staffing feasibility of having JEDCO monitor major trends in the insurance industry on a part time basis. Determine Jefferson businesses' interest in receiving regular updates on the insurance industry.</p>			



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