



Roadmap to Recovery®
Advocacy and Action
Roadmap to Preparedness

March 19, 2024

State Senator Kirk Talbot
Via email; talbotk@legis.la.gov
cc: Beth O'Quin, oquine@legis.la.gov

State Representative Michael "Gabe" Firment
Via email; hse022@legis.la.gov
cc: Keith Rashida, keithr@legis.la.gov

RE: Senate Bill 113

Dear Senator Talbot and Representative Firment,

We write to you as the Senate Sponsor of the above-referenced bill and Chairs of the Louisiana legislative committees that are considering the bill to respectfully state our opposition to the measure and ask you to reconsider your support. It is in the best interests of Louisiana's citizens and economy that there be strong protections in place to ensure that property insurance claims get paid in full and on time. This bill undercuts that objective.

United Policyholders¹ is a non-profit organization that educates and assists insurance consumers and contributes to problem-solving in the property insurance sales and claims arenas. We've been active in your state since 2005.

In coordination with former Insurance Commissioner Jim Donelon and other Louisiana stakeholders, United Policyholders has been closely monitoring the affordability and availability situation and supporting good public policy aimed at restoring competition and stability in your markets.

¹ United Policyholders ("UP") is a non-profit organization that has been informing, helping, and speaking for insurance consumers in the United States since 1991. UP is funded by donations and grants and its work is largely done by volunteers. Through its Roadmap to Preparedness and Roadmap to Recovery programs, UP helps Americans be personally responsible by reducing risk, buying insurance, and navigating the claim process successfully after a loss.

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While we share your goal of improving but also depopulating Louisiana Citizens Property Insurance Corporation (“Citizens”), we firmly believe that giving the entity a special exemption from liability for mishandling claims will harm your constituents and we encourage you to take a different approach.

A property owner’s ability to hold an insurer legally accountable for unfairly denying or delaying payment on a covered claim is a critically important consumer protection that deters unfair practices. The fact that Louisiana’s legal system allows for the recovery of quantified damages gives insurers (including Citizens) a strong incentive to resolve claims fairly and promptly. This legal right supplements the very limited ability of the Louisiana Department of Insurance to serve as an attorney for policyholders who’ve been mistreated.

Removing special damages disrupts this balance. Without the threat of financial accountability, Citizens lack the necessary incentive to resolve claims efficiently and equitably. This shift will lead to prolonged and costly disputes and a general decline in the quality of claims handling.

Thank you in advance for considering our opposition to SB113.

Sincerely,



Amy Bach
Executive Director