

## LOUISIANA HURRICANE INSURANCE FACT FILE

- The costliest Louisiana hurricane in recent years was Hurricane Katrina, which caused nearly \$26 billion in insured losses in 2005 (about \$28.4 billion in 2008 dollars). These loss statistics do not include flood damage covered under the federal government's National Flood Insurance Program (NFIP). Standard homeowners policies typically do not cover flood damage.
- Hurricane Katrina resulted in \$13.1 billion in flood insurance losses in Louisiana paid by the NFIP.
- There was a 29 percent increase in the number of flood insurance policies sold in Louisiana by the NFIP in 2006, the year following Hurricanes Katrina and Rita. However, 17 percent of those policies were not renewed in 2007.
- Hurricane Katrina was also the deadliest hurricane in Louisiana's history, with some 1,464 fatalities reported.
- The total value of insured coastal property in Louisiana was \$224 billion in 2007, an increase of just 7 percent, or \$15 billion, since 2004. Source: AIR Worldwide Corporation.
- As a result of the devastating impact of Hurricane Katrina, between 2004 and 2007 the total insured value of coastal properties in Louisiana grew at the lowest compound average annual rate of all coastal states (just over 2 percent). Still, in 2007 Louisiana ranked seventh among states in terms of the total value of insured coastal property.
- Louisiana Citizens Property Insurance Corporation (Louisiana Citizens) was created by the legislature in 2003 to oversee the state's Coastal and FAIR (Fair Access to Insurance Requirements) Plans. This state-run entity acts as a market of last resort for residential and commercial property insurance in Louisiana.
- The number of structures insured by Louisiana Citizens and its exposure base has grown rapidly. As of March 31, 2007, Louisiana Citizens had a total of 129,203 policies in-force, for a total exposure value of \$21.2 billion.
- Preliminary data for 2007 and 2008 indicate that policy counts may be flattening out in Louisiana, as depopulation plans take effect and as new construction slows due to a deteriorating economy and credit crunch. Under these plans state-run insurers can transfer policies back to private insurers, subject to regulatory approval.
- As of April 2008, Louisiana Citizens had an estimated 160,000 policies in-force, but the take-out process is expected to reduce total policies in-force to pre-Hurricane Katrina levels of around 125,000.

