

PCI Says Louisiana's Property Insurance Market is Helping Consumers and Showing Signs of Strength

November 30, 2010 | Targeted News Service

BATON ROUGE, La., Nov. 29 -- *The Property Casualty Insurers Association of America issued the following news release:*

The number of Louisiana property insurance consumers who benefit from the lower rates offered by private insurers is growing as the state's Citizens Property Insurance Corporation's (Citizens) depopulation program continues to be a success, according to the Property Casualty Insurers Association of America (PCI).

"Under the solid leadership of Insurance Commissioner Donelon, as well as current Gov. Bobby Jindal and former Gov. Kathleen Blanco, Louisiana is on the right track," said Greg LaCost, assistant vice president for PCI. "The number of policies in Citizens has decreased approximately 55,000 since 2008 and it is now smaller than it was prior to hurricanes Katrina and Rita. The latest round of depopulation showed very positive results as 13,500 policies were picked up by the private insurance market. Now the Insurance Department estimates that Citizens has dropped below a 6 percent market share. This is very good news for consumers and it shows the strength and stability of private market in Louisiana."

Over the years Louisiana has taken steps to improve the insurance marketplace. This past legislative session Louisiana revised Citizen's depopulation program to provide greater opportunities for the private market to take policies out of the system. Under the previous rules Citizens offered policies in groups of at least 500. Now the program opens its entire book of business for takeout opportunities.

"The changes implemented over the last few years made the program more efficient and added flexibility for the private market," said LaCost. "The program now requires companies to prove they have the capacity to take on the new policies. This ensures that all companies writing in Louisiana are strong, which adds to the stability of the marketplace. In recent years, state leaders have made a series of smart moves that encourage private insurers to do business in the state and companies have responded positively to these actions. Although there are several onerous laws in the books that keep insurance companies from coming to or expanding their business in Louisiana, legislators have passed some laws in during the past few sessions that are enticing companies to the state, which in the end benefits consumers."