

March 25, 2014

Members of the House Insurance Committee  
Louisiana State Capitol  
Baton Rouge, Louisiana

*Via email*

**RE: Opposition to House Bill 549**

Members:

The National Association of Mutual Insurance Companies (NAMIC) appreciates the opportunity to register its opposition to House Bill 549.

We are the largest property/casualty insurance trade association in the country, serving regional and local mutual insurance companies on main streets across America as well as many of the country's largest national insurers. The 1,400 NAMIC member companies serve more than 135 million auto, home and business policyholders and write more than \$196 billion in annual premiums, accounting for 50 percent of the automobile/homeowners market and 31 percent of the business insurance market. In Louisiana, we have 123 members doing business in the state, making up forty percent of the marketplace.

Insurers doing business in Louisiana need flexibility in forms and underwriting in order to adequately write business in the state. This bill makes two changes to current law which will have a negative impact upon consumers.

First, the bill changes the maximum deductible for named storms or hurricanes from four percent down to two percent. While we certainly recognize that large deductibles can be significant for homeowners, we would stress that such deductibles help make insurance coverage available and premiums affordable for Louisiana residents. Lowering the maximum deductible for named storm coverage will not do anything to make insurance premiums more affordable or to entice more insurers to do business in Louisiana.

Our second concern stems from the proposed language at the top of page three of the bill. As there is no clarification as to how and where the wind speed measurement must be taken, or the measurement's proximity to the insured property, this provision creates a tremendous amount of ambiguity. Wind speed readings can vary greatly across short distances and heights above the ground. Further, the bill provides no standards by which equipment used to measure wind speed can be qualified as sufficiently accurate for use in triggering the separate

deductible.

Accordingly, we urge you to oppose the bill.

As always, we appreciate your time and willingness to hear our concerns. If you have any questions, please don't hesitate to contact me.

Sincerely,

A handwritten signature in black ink, consisting of the first name 'Paul' and the last name 'Martin' written in a cursive style.

Paul Martin  
Director – State Affairs  
Southwest Region

cc: Rep. Jared Brossett