



**CITY OF LAKE CHARLES
OFFICE OF THE CITY COUNCIL**

P.O. Box 1178
Lake Charles, LA 70602-1178
(337) 491-1290 • FAX (337) 491-1463

January 26, 2021

COUNCIL MEMBERS

Mary Morris
District A

Mr. James J. Donelon, Commissioner
Louisiana Department of Insurance
P. O. Box 94214
Baton Rouge, LA 70804

Luvertha W. August
District B

Dear Commissioner Donelon:

Rodney Geyen
District C

Enclosed please find a certified copy of Resolution 3-21, sponsored by Councilman John Ieyoub and Councilman Mark Eckard, which was adopted by the Lake Charles City Council at its regular meeting on January 20, 2021.

John Ieyoub
District D

The resolution is to you as Commissioner of Insurance and the Southwest Louisiana Legislative Delegation requesting administrative and/or legislative action to address many issues related to hurricane damage adjustments and to require that greater clarity and transparency be provided by homeowners' insurers and agents in the State of Louisiana.

Stuart Weatherford
District E

Your support of the City Council in this matter is greatly appreciated.

Johnnie Thibodeaux
District F

Sincerely,

Mark Eckard
District G

Lynn F. Thibodeaux
Clerk of the Council

Enclosure



City of Lake Charles

326 Pujo Street
P.O. Box 1178
Lake Charles, LA
70602-1178

Certified Copy

Resolution: 3-21

File Number: 344-2020

Enactment Number: 3-21

A resolution to Commissioner of Insurance James J. "Jim" Donelon and the Southwest Louisiana Legislative Delegation requesting administrative and/or legislative action to address many issues related to hurricane damage adjustments and to require that greater clarity and transparency be provided by homeowners' insurers and agents in the State of Louisiana.

WHEREAS, the City of Lake Charles was devastated by two hurricanes in 2020, Hurricanes Laura and Delta, leaving almost every property in the City with some form of damage ranging from minor to major; and

WHEREAS, many home and other property owners throughout the City have experienced difficulties in dealing with their insurance policies and claims caused by numerous factors including, but not limited to, education on insurance policies, poorly or untrained field and desk adjusters, outdated pricing for home repairs and general lack of communication from insurance agents and insurance companies; and

WHEREAS, there is widespread disagreement among both policy holders, agents and adjusters as to the proper application of insurance policy provisions and, in some cases, lack of insurance policy provisions, related to actual cash value versus replacement cost value, the basis for depreciation and the applicable lifespan for construction materials, fixtures and contents; and

WHEREAS, there is further disagreement as to the application of "additional living expense" provisions of insurance policies, what an insured is entitled to claim and receive for evacuation expenses and alternative living arrangements, including utilities; and

WHEREAS, property owners are at their most vulnerable following events such as Hurricanes Laura and Delta with little recourse other than filing a claim with the Louisiana Department of Insurance or file, as a last resort, a lawsuit which only leads to further delays in efforts to return to pre-catastrophe living conditions.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAKE CHARLES, LOUISIANA, in regular session convened, that:

SECTION 1: The Commissioner of Insurance and Louisiana Legislature consider the following:

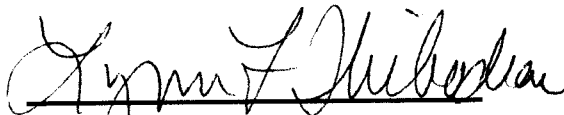
- A. Creating a uniform definition in layman's terms for all homeowners insurance policies issued in the State of Louisiana for Additional Living Expense, including but not limited to, what expenses qualify for reimbursement during periods of evacuation and upon returning to a devastated area to begin initial clean up and restoration efforts.
- B. Creating a uniform standard for all insurers in the State of Louisiana for determining Actual Cash Value, Depreciation and Replacement Cost Value.
- C. Creating a uniform method in which all insurers in the State of Louisiana report property damage, content loss and reimbursable expenses to insureds such that anyone can review a summary of loss or detailed loss report from any insurer and easily and readily determine what has been deemed an insured loss and what has not.
- D. Requiring that insurers in the State of Louisiana clearly state what losses are not covered by the policy of insurance, the basis for denial and whether additional information from the insured would assist in a reconsideration of the denial.
- E. Creating uniform software for loss adjustment and requiring that all insurers in the State of Louisiana utilize the same loss adjustment method.
- F. Requiring the Department of Insurance and/or insurers in the State of Louisiana update loss adjustment software pricing weekly, bi-weekly or monthly following a catastrophic

- event to accurately reflect price increases in devastated areas.
- G. Requiring that all insurance claims adjusters be licensed by the State of Louisiana or be directly supervised by a licensed claims adjuster, both of whom shall be answerable at law for failure to adhere to Louisiana adjusting policies.
 - H. Providing for criminal penalties for an insurance claims adjuster's fraud and/or gross negligence in adjusting insurance claims in the State of Louisiana.
 - I. Prohibiting revisions to insurance policies by negative consent where such revision is substantive rather than procedural.
 - J. Reviewing best practices from other hurricane prone states.

SECTION 2: The Clerk of the City Council is hereby directed to forward a certified copy to Commissioner of Insurance James J. "Jim" Donelon, 1702 North 3rd Street, Baton Rouge, Louisiana 70802 and to the Southwest Louisiana Legislative Delegation.

I, Lynn F. Thibodeaux, Clerk of the Council, certify that this is a true copy of Resolution number 3-21 passed by the City Council on 1/20/2021.

Clerk of the Council


Lynn F. Thibodeaux


Date Certified