

Hurricane/Wind Insurance Crisis Conference Call January 13, 2010

Participants

Massachusetts

Paula Aschettino

Citizens for Homeowners' Insurance Reform

<http://homeownersinsurancereform.org/data.html>

Florida

Janice Everson

Congregations for Community Action

<http://www.congregationsforcommunityaction.org/>

Alabama

Sr. Judith Smits

Quest for Social Justice

<http://www.questforjustice.org/>

Michelle Kurtz, Dan Hanson and Tom Lantz

Homeowners' Hurricane Insurance Initiative (HHII)

<http://www.hhii.us>

Mississippi

Mike Hueseth

Lutheran Episcopal Services in Ms

<http://www.lesm.org/>

Louisiana

Aaron Steel

Berean Presbyterian Church

Nat'l PACT (Presbyterian Association for Community Transformation)

Associated w. MICA Project

Effects on families

(Each participating organization gave a brief summary of their observations)

All organizations reported:

- Dramatic increases in premiums
- Widespread policy non-renewals

Other observations:

- Concern among seniors about the availability of coverage in the future
- Poor families are being excluded from home-ownership because of the extra cost (some are losing their homes because of the \$300 to \$400 a month increase)
- Renters having their monthly costs rise by \$100 to \$200.
- Churches and social service agencies are being impacted by dramatic increases; Catholic Social Services in southwest Alabama was paying \$3,000 a year for insurance five years ago, is paying \$23,000 a year now.
- Many of those who pay the high premiums won't be able to pay the high deductibles if damaged in a future storm.
- Families having to choose between securing their housing vs. groceries and medicine
- Many, many, families do not have the deductible in the bank

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Dynamics causing the problem

(Each participating organization gave a brief summary of their cursory thoughts)

- High cost of re-insurance in coastal counties
- Need to get an accurate read on what is the risk, so that then the premiums can be justified
- Inaccuracy due to improper generalizations of the actuarial modeling; Massachusetts is put in a model that takes in the coast to New Jersey.
- Corporate greed – public good vs. profit
- Change in # of years used in actuarial models
- Poorly thought-out planning
- Not spreading the burden of the risk
- Lost-calling: insurance companies are run by people who place the service they're supposed to provide second to profit-making demands.
- Concerns about Global Warming impacts on hurricane activity: possible future of increased frequency and intensity of hurricanes or "named storms."

Helpful pieces of information to gather:

- What is the relationship between the Gov. and the DOI (elected or not elected)
- Is the power of the Commissioner of DOI spelled out anywhere?
- What are the powers of the Commissioner of Insurance?

What other organizations need to be in on these calls? Please recruit and pass on info to Michelle so they can be in on the mailing list.

Helpful web sites

For the Florida methodology:

<http://www.sbafla.com/methodology/pdf/2009/2008%20ROA%20Final.pdf>

Comments from Michelle:

Thanks everyone. Great first call. We have five states represented. Imagine how many homes we were all able to "look into"? This is a grassroots method by telephone and we sure appreciate your input. Without the right view of the problem on the ground, we will propose faulty solutions.

Next steps:

Conference call Jan27, 9am Central, 10am Eastern – but this has to be confirmed with PICO. Watch web page.