

Regular Session, 2009

SENATE BILL NO. 164

BY SENATOR MARIONNEAUX

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

INSURANCE POLICIES. Provides for only one increased deductible per calendar year for hurricane, wind, or named storm damage. (8/15/09)

AN ACT

To amend and reenact R.S. 22:1319 and 1332 and to enact R.S. 22:1272, relative to insurance policies having increased deductibles for hurricane, wind, or named storm damage; to provide with respect to only one increased deductible per calendar year; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1319 and 1332 are hereby amended and reenacted and R.S. 22:1272 is hereby enacted to read as follows:

§1272. Policies covering damage to certain property; increased deductible for hurricane, wind, or named storm damage

In addition to any other requirement provided by law, any personal property insurance policy, tenant homeowners' insurance policy, condominium owners' insurance policy, or commercial property insurance policy which contains an increased deductible for hurricane, wind, or named storm damage shall limit application of the increased deductible to one application of the increased deductible per calendar year.

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1 §1319. Delivery of fire insurance contract providing coverage for damage to
2 property; disclosure of coverage; coverage for damages due to flood

3 In addition to any other requirement contained in law, the following
4 provisions shall govern the issuance of certain fire insurance policies issued or
5 delivered in this state which provide coverage for damage to property in this state:

6 (1) No fire insurance policy which provides coverage for damage to property
7 shall be delivered or issued for delivery in this state with respect to any commercial
8 property unless the insurer advises the insured in writing, prominently displayed on
9 a form developed and promulgated by the commissioner of insurance, as an insert
10 in the front of the policy as to which coverages are included in the policy for which
11 the insured has paid premiums. The insurer shall disclose whether or not the insured
12 has coverage for flooding or mold and whether an increased deductible is required
13 for hurricane damage. The typed print of the disclosure shall be in bold and not less
14 than a 14-point font. The disclosure shall also state that flood insurance is available
15 through the National Flood Insurance Program and that excess flood insurance may
16 be available by a separate policy.

17 (2) If the fire insurance policy contains an increased deductible for
18 hurricane damage, then the policy shall limit application of the increased
19 deductible to one application per calendar year and the insurer shall disclose
20 this limitation to the insured in writing as provided in Paragraph (1) of this
21 Section.

22 * * *

23 §1332. Delivery of homeowners' insurance; disclosures

24 A. In addition to any other requirement contained in law, the provisions of
25 this Section shall govern the issuance of homeowners' insurance policies issued or
26 delivered in this state which provide coverage for damage to property in this state.

27 B. Any homeowners' insurance policy which contains an increased
28 deductible for hurricane, wind, or named storm damage, shall limit the
29 application of the increased deductible to not more than one application of the

1 **increased deductible per calendar year.**

2 B. ~~C.~~ No homeowners' insurance policy which provides coverage for damage
3 to property shall be delivered or issued for delivery in this state with respect to any
4 residential property unless the insurer advises the insured in writing, prominently
5 displayed on a form developed and promulgated by the commissioner of insurance
6 and in bold typed print of not less than a 14-point font as an insert in the front of the
7 policy, of the following disclosures:

8 (1) Which coverages are included in the policy for which the insured has paid
9 premiums.

10 (2) Whether or not the insured has coverage for flood or mold and whether
11 an increased deductible is required for hurricane, wind, and/or named storm damage.
12 The disclosure shall also state that flood insurance is available through the National
13 Flood Insurance Program and that excess flood insurance may be available by a
14 separate policy.

15 (3) A distinction between replacement cost for losses and actual cash value,
16 the use of depreciation in determining payment for losses, and that the policy may
17 contain time limitations for repairs to be completed in order to receive full
18 replacement cost for the losses.

19 (4) That the policy determines the process for providing the insurer with a
20 notification of a loss, and the time line provided by law, including R.S. 22:1892 and
21 1973, of when a claim must be adjusted, settled, and paid, including an explanation
22 of the possible penalties imposed on an insurer for failing to conform to the time
23 requirements.

24 (5) That the insured may have the option to increase the deductible and thus
25 lower the potential cost paid.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Cheryl Horne.

DIGEST

Proposed law provides that any personal property insurance policy, tenant homeowners' insurance policy, condominium owners' insurance policy, or commercial property insurance policy which contains an increased deductible for hurricane, wind, or named storm damage shall be limited to one application of the increased deductible per calendar year.

Present law requires every fire insurance policy issued with respect to commercial property to prominently disclose which coverages are included in the policy.

Proposed law provides that if the fire insurance policy contains an increased deductible for hurricane damage, then the policy shall limit application of the increased deductible to one application per calendar year. The insurer shall disclose this limitation to the insured in writing.

Proposed law requires any homeowners' insurance policy which contains an increased deductible for hurricane, wind, or named storm damage, shall limit the application of the increased deductible to not more than one application of the increased deductible per calendar year.

Effective August 15, 2009.

(Amends R.S. 22:1319 and 1332; Adds R.S. 22:1272)