
DIGEST

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HB 569 Original

2020 Regular Session

Jordan

Abstract: Provides for the framework to regulate private flood insurance in this state.

Proposed law provides for proposed law to be known as the "Private Flood Insurance Act".

Proposed law defines the following terms as used in proposed law: applicant, authorized insurer, NFIP, surplus lines broker, and surplus lines insurer.

Present law provides for the regulation of insurance contracts and requires insurance policy forms to be filed with and approved by the commissioner.

Present law provides for the regulation of insurance rates and gives the commissioner to accept, review, and approve applications for rates or rate changes for all lines of property and casualty insurance.

Proposed law requires the commissioner to have insurers file rates and forms for coverage pursuant to proposed law in accordance with the requirements of present law.

Proposed law authorizes the commissioner to require insurers issuing lines of insurance pursuant to proposed law to meet the federal requirements for private flood insurance to obtain mortgage loans.

Proposed law requires insurance producers to:

- (1) Notify an applicant of the existence of the National Flood Insurance Program and private market alternatives.
- (2) Inform an applicant that his homeowner's policy does not include flood protection unless endorsed for flood coverage.
- (3) Inform an applicant that flood coverage is declined unless flood insurance is purchased.

Present law provides for regulations for surplus lines insurance.

Proposed law authorizes surplus lines brokers to place policies or endorsements providing flood coverage to surplus lines insurers pursuant to present law.

Proposed law authorizes producers to keep records signed by an applicant that acknowledge that the

producer complied with proposed law.

Proposed law provides for proposed law to supersede present law in regards to the regulation of flood coverage when there is a conflict between proposed law and present law.

Proposed law authorizes the commissioner to provide a certification of a private flood insurance policy if such a certification is required to qualify for federal disaster assistance.

Proposed law authorizes an insurer to request that the commissioner certify that a flood policy meets or exceeds the flood coverage offered by the NFIP.

Proposed law authorizes an insurer or producer to reference or include a certification pursuant to proposed law when advertising or communicating with a producer, lender, insured, or applicant only about a policy pursuant to proposed law.

Proposed law provides that a producer or insurer who knowingly misrepresents that a policy is certified pursuant to proposed law is committing an unfair or deceptive act pursuant to present law.

Proposed law authorizes the commissioner to promulgate rules and regulations in order to carry out proposed law.

Effective Jan. 1, 2021.

(Adds R.S. 22:1341-1346)