AN ACT

To amend and reenact R.S. 22:1483(A) and (C) and to enact R.S. 22:1483(D), relative to insurance discounts and rate reductions for residential and commercial buildings; to provide the requirements for buildings to qualify for the discount or rate reduction; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1483(A) and (C) are hereby amended and reenacted and R.S. 22:1483(D) is hereby enacted to read as follows:

§1483. Premium discounts, credits, rate differentials, adjustments in deductibles, and other adjustments for compliance with building codes and for damage mitigation

A. Any insurer required to submit rates and rating plans to the commissioner of insurance shall provide an actuarially justified discount, credit, rate differential, adjustment in deductible, or any other adjustment to reduce the insurance premium to insureds who build or retrofit a structure to comply with the requirements of the State Uniform Construction Code or the Insurance Institute for Business and Home Safety.

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C.(1) After July 1, 2022, all insurers required to submit rating plans to the commissioner may, if actuarially justified, provide credits and discounts in...
compliance with the fortified home and fortified commercial standards created by
the Insurance Institute for Business and Home Safety. Any homeowner who is
currently receiving discounts pursuant to this Section may opt to maintain discounts
offered prior to July 1, 2022, if the homeowner continues to meet the requirements
to maintain such discounts, in lieu of the discount provided in this Subsection.

(2) To obtain a credit or discount provided in this Subsection, an insurable
property located in this state shall be certified as constructed in accordance with the
fortified home or fortified commercial standards provided by the Insurance Institute
for Business and Home Safety.

(3) An insurable property shall be certified as in conformance with the
fortified home or fortified commercial standards only after inspection and
certification by an Insurance Institute for Business and Home Safety certified
inspector.

(4) An owner of insurable property claiming a credit or discount shall
maintain and provide certification records and construction records, including
certification of compliance with the Insurance Institute for Business and Home
Safety standards, for which the owner seeks a discount. Such documents may
include but are not limited to receipts for contractors, receipts for materials, and
records from local building officials.

(5) An owner of insurable property claiming a credit or discount shall
maintain the Insurance Institute for Business and Home Safety certification
documents, which shall be considered evidence of compliance with the fortified
home or fortified commercial standards. The certification shall be presented to the
insurer or potential insurer of a property owner before the adjustment becomes
effective for the insurable property along with any other necessary records.

(6) The credit or discount shall apply only to policies that provide wind
coverage and may apply to the portion of the premium for wind coverage or to the
total premium, if the insurer does not separate out the premium for wind coverage
in the rate filing. The adjustment shall apply exclusively to the premium designated
for the improved insurable property. The adjustment is not required to be in addition
to other mitigation adjustments provided by the insurer and shall be in lieu of those
other adjustments, including those in place prior to January 1, 2022, if they are
deemed to be duplicated.

(7) The records required by this Subsection shall be subject to audit by the
commissioner.

(8) Nothing in this Section shall prohibit insurers from offering additional
adjustments in deductible, other credit rate differentials, or a combination thereof.
These adjustments shall be available under the terms specified in this Section to any
owner who builds or locates a new insurable property in this state to resist loss due
to hurricane, tornado, or other catastrophic windstorm events.

(9) For the purposes of this Subsection, insurable property includes single-
family residential property, commercial property, modular homes, and manufactured
homes that may be retrofitted.

D. The commissioner of insurance, in consultation with the State Uniform
Construction Code Council, shall, no later than January 1, 2008, promulgate rules
and regulations in accordance with the Administrative Procedure Act to implement
the provisions of this Section. The rules and regulations may include but not be
limited to the following:

(1) Provisions defining and delineating the criteria for discounts, credits, rate
differentials, adjustments in deductibles, or any other adjustments to reduce the
insurance premium and how such discounts, credits, rate differentials, adjustments
in deductibles, or any other adjustments are computed in determining their
application in each premium quoted.

(2) Those items necessary for an insurer to compute or otherwise determine
the actuarially justified amount of any premium rate reduction, discount, credit, rate
differential, reduction in deductible, or other adjustment available to an insured.
(3) Provisions establishing the inspection and certification requirements for insureds who comply with the provisions of this Section.

(4) Recordkeeping requirements for insurers.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: ____________________

CODING: Words in struck through type are deletions from existing law; words underscored are additions.