

2021 Regular Session

HOUSE BILL NO. 451

BY REPRESENTATIVE DAVIS AND SENATORS BARROW, FOIL, AND WHITE

1 AN ACT

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

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:1483(A) and (C) are hereby amended and reenacted and R.S.
8 22:1483(D) is hereby enacted to read as follows:

9 §1483. Premium discounts, credits, rate differentials, adjustments in deductibles,
10 and other adjustments for compliance with building codes and for damage
11 mitigation

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

18 * * *

19 C.(1) After July 1, 2022, all insurers required to submit rating plans to the
20 commissioner may, if actuarially justified, provide credits and discounts in

1 compliance with the fortified home and fortified commercial standards created by
2 the Insurance Institute for Business and Home Safety. Any homeowner who is
3 currently receiving discounts pursuant to this Section may opt to maintain discounts
4 offered prior to July 1, 2022, if the homeowner continues to meet the requirements
5 to maintain such discounts, in lieu of the discount provided in this Subsection.

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

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

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

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

26 (6) The credit or discount shall apply only to policies that provide wind
27 coverage and may apply to the portion of the premium for wind coverage or to the
28 total premium, if the insurer does not separate out the premium for wind coverage

1 in the rate filing. The adjustment shall apply exclusively to the premium designated
 2 for the improved insurable property. The adjustment is not required to be in addition
 3 to other mitigation adjustments provided by the insurer and shall be in lieu of those
 4 other adjustments, including those in place prior to January 1, 2022, if they are
 5 deemed to be duplicated.

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

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

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

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

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

26 (2) Those items necessary for an insurer to compute or otherwise determine
 27 the actuarially justified amount of any premium rate reduction, discount, credit, rate
 28 differential, reduction in deductible, or other adjustment available to an insured.

1 (3) Provisions establishing the inspection and certification requirements for
2 insureds who comply with the provisions of this Section.

3 (4) Recordkeeping requirements for insurers.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____