
DIGEST

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HB 611 Original

2024 Regular Session

Firment

Abstract: Modifies relative to homeowners' insurance with respect to policy deductibles and the cancellation and nonrenewal of policies in effect for more than 3 years.

Present law (R.S. 22:1265(D)) prohibits insurers providing property, casualty, and liability insurance from cancelling or nonrenewing a homeowner's policy or increasing a policy deductible that has been in effect and renewed for more than 3 years, unless certain circumstances apply.

Proposed law retains present law but deletes an insurer's present law prohibition against increasing deductibles for homeowners' policies in effect and renewed for more than 3 years.

Present law does not apply to an insurer that increases policy deductibles for all homeowners' insurance policies in this state.

Proposed law amends present law to provide that the prohibition does not apply to modifications of policy deductibles. Further adds that modification of coverage at the time of renewal is not a cancellation or failure to renew a policy.

Present law (R.S. 22:1265(F) and 1333(D)) authorizes an insurer to file with the commissioner of insurance (commissioner) certain rating plans with respect to changing policy deductibles for policies in effect for more than 3 years. Requires the insurer to include in its filing the details of plans to write new business in regions or areas where a new deductible will apply. Requires the commissioner to base approval on the insurer's commitment to writing new business and authorizes approval of filings in the best interest of policyholders. Further authorizes the commissioner to subsequently rescind approval of any filing if the insurer fails to write new business in accordance with the plan.

Present law provides that an insurer's business plan is considered proprietary or trade secret. Requires the commissioner to provide an annual report to the legislative committees on insurance on the application and effectiveness of the provisions of present law. Requires the commissioner to promulgate regulations in accordance with the APA setting forth the criteria for filings he deems necessary to act on the insurer's request. Further requires the insurer to itemize premium savings based on the increase in deductibles.

Proposed law repeals present law (R.S. 22:1265(F) and 1333(D)).

Present law (R.S. 22:1265(H) and 1333(F)) requires any company that makes a filing in accordance

with present law to reduce the rates paid by the individual homeowner by the amount determined to be actuarially justified by the commissioner.

Proposed law repeals present law (R.S. 22:1265(H) and 1333(F)).

Proposed law provides that present and proposed law (R.S. 22:1265(D) and (E)) do not apply to policies issued after August 1, 2024.

For policies in place for at least 3 years on or before August 1, 2024, proposed law authorizes an insurer to notify the commissioner of its intention to nonrenew up to 5% of its customers' policies per calendar year for any reason. Upon request of the insurer, proposed law authorizes the commissioner to approve the nonrenewal of more than 5% of the insurer's customers' policies that have been in effect for 3 or more years on or before August 1, 2024.

Proposed law provides that the insurer's notice is considered proprietary or trade secret pursuant to present law (R.S. 44:3.2) and the Uniform Trade Secrets Act (Chapter 13-A of Title 51 of the La. Revised Statutes of 1950).

Proposed law requires the commissioner to promulgate and adopt rules in accordance with the APA setting forth the information to be included in the notice.

Present law (R.S. 22:1333(C)) is substantially similar to present law (R.S. 22:1265(D)).

Proposed law repeals present law (R.S. 22:1333(C)).

Present law (R.S. 22:1333(E)) is substantially similar to present law (R.S. 22:1265(G)).

Proposed law repeals present law (R.S. 22:1333(E)).

Present law (R.S. 22:1333(G)) is substantially similar to present law (R.S. 22:1265(I)).

Proposed law repeals present law (R.S. 22:1333(G)).

Present law (R.S. 22:1333(H)) is substantially similar to present law (R.S. 22:1265(J)).

Proposed law repeals present law (R.S. 22:1333(H)).

Proposed law (uncodified) provides that proposed law is intended to give insurers full flexibility in issued policies regarding applicable deductibles. States a policyholder's right to request a decrease in a policy's deductible in exchange for an increase in premium.

(Amends R.S. 22:1265(D); Adds R.S. 22:1265(K) and (L); Repeals R.S. 22:1265(F) and (H) and 1333(C)-(H))