The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Beth O'Quin.

## DIGEST

SB 345 Reengrossed

2024 Regular Session

Barrow

<u>Present law</u> requires an insurer of a homeowners' insurance policy provide a written notice of cancellation or nonrenewal that is mailed or delivered to its named insured 30 days before the expiration date of the named insured's homeowners' policy.

<u>Proposed law</u> retains <u>present law</u> but provides a grace period of up to 60 days for a surviving spouse to pay the semi-annual or annual premium payment due if the surviving spouse complies with both of the following:

- (1) Provides a copy of the deceased death certificate that includes the date he died and the date of his death is within 60 days following the original insurance premium due date.
- (2) Specifies the length of days for the grace period that is not longer than 60 days following the original due date for a semi-annual or annual insurance premium payment.

<u>Proposed law</u> provides at the end of the grace period all sums originally owed becomes due and payable.

<u>Proposed law</u> provides the grace period does not apply when premiums are paid through an escrow arrangement with a lending institution or financial intermediary.

<u>Proposed law</u> provides this grace period does not create a private right of action by the insured except the commissioner is authorized to consider the failure of the insurer to grant a properly documented timely request as a violation of <u>present law</u>.

<u>Proposed law</u> authorizes the commissioner to promulgate and adopt rules in accordance with the Administrative Procedure Act.

Effective January 1, 2025.

(Adds R.S. 22:1335(C)-(H))

Summary of Amendments Adopted by Senate

## Senate Floor Amendments to engrossed bill

- 1. Makes technical changes.
- 2. Provides a surviving spouse an extended grace period to pay his insurance premium

due.

- 3. Provides the requirements for the grace period.
- 4. Provides payment is due at the end of the extended grace period.
- 5. Provides there is no right of action for the insured against the insurer for failure to grant the grace period but authorizes the commissioner to investigate whether the insurer's action was a violation of <u>present law</u>.
- 6. Provides an effective date.