



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 723** HLS 14RS 659

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 24, 2014 6:13 PM	Author: IVEY
Dept./Agy.: Louisiana Department of Insurance	
Subject: Requires written waiver of flood insurance protection	Analyst: Alan M. Boxberger

INSURANCE/FLOOD

OR SEE FISC NOTE

Page 1 of 1

Requires insurers who issue homeowner policies to obtain a written waiver from homeowners who decline flood insurance protection

Present law requires that homeowners’ insurance policyholders be provided notice of the availability of flood insurance. Proposed law requires that the policyholder acknowledge on a written form knowledge of the availability of flood insurance and rejection of such coverage; provides that the form signed by the policyholder shall be part of the policy or contract; provides that the form shall be valid for the life of the policy; provides that any changes to the existing policy does not create a new policy or require completion of a new form; authorizes the policyholder to acquire flood insurance at any time during the life of the policy; authorizes the commissioner of insurance to develop and promulgate the form to be used. The provision authorizing the commissioner to develop and promulgate the form is effective upon enactment of proposed law, all other provisions are effective January 1, 2015.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The only state cost expenditure resulting from proposed law will be that associated with creation of the flood insurance offering acknowledgment form by the Louisiana Department of Insurance (LDI) and promulgation of rules pursuant to the Administrative Procedure Act. This activity is a regular part of LDI operations, is insignificant and can be considered part of LDI’s base budget appropriation requiring no additional funds.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.