
DIGEST

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Thierry

HB No. 1060

Abstract: Provides that an insurer may cancel a homeowner's policy for two or more claims made within the three years preceding the policy renewal date and requires the withdrawal from the homeowners' insurance market under certain circumstances.

Present law provides that a homeowner's policy may be cancelled or nonrenewed due to two or more claims being made within a period of three years.

Proposed law changes present law by requiring that the two claims must be made within a continuous three-year period in the five years preceding the current policy renewal date.

Present law allows an insurer to cancel its homeowners' policies when it ceases writing homeowner's insurance in La.

Proposed law requires an authorized property, casualty, and liability insurer withdraw from the homeowners' insurance market in La. for a minimum of five years when it will no longer write policies in La. and cancels its homeowners' policies.

Proposed law requires an approved unauthorized insurer agree to the termination of its status as an approved unauthorized insurer when it withdraws from the homeowners' insurance market in La. for a minimum of five years when it will no longer write policies in La. and cancels its homeowners' policies.

Present law provides that an insurer's business plan filed with the commissioner is considered proprietary or trade secret pursuant to the Uniform Trade Secrets Act.

Proposed law retains present law but clarifies that the plan is considered trade secret pursuant to the Uniform Trade Secrets Act.

(Amends R.S. 22:1265(D) and (F) and 1333(C) and (D); Adds R.S. 22:1265(I) and (J) and 1333(G) and (H))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Insurance to the original bill.

1. Added present law provisions to clarify that an insurer may cancel or refuse to renew

a homeowner's policy of insurance for two claims only when those claims occur in a continuous three-year period of time within the five years preceding the current policy renewal date.

2. Added provisions to prevent an insurer withdrawing from the homeowners' insurance market from returning to that market for five years, unless the commissioner of insurance agrees to allow the insurer to return after a showing of good cause.
3. Made technical changes.