SLS 19RS-431

ENGROSSED

2019 Regular Session

SENATE BILL NO. 197

BY SENATOR BISHOP

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

INSURERS. Provides for disclosures in homeowners' insurance policies. (See Act)

1	AN ACT
2	To enact R.S. 22:1332(B)(8), relative to homeowners' insurance; to provide for disclosures;
3	to provide for an effective date; and to provide for related matters.
4	Be it enacted by the Legislature of Louisiana:
5	Section 1. R.S. 22:1332(B)(8) is hereby enacted to read as follows:
6	§1332. Delivery of homeowners' insurance; disclosures
7	* * *
8	B. No homeowners' insurance policy which provides coverage for damage
9	to property shall be delivered or issued for delivery in this state with respect to any
10	residential property unless the insurer advises the insured in writing, prominently
11	displayed on a form developed and promulgated by the commissioner of insurance
12	and in bold typed print of not less than a fourteen-point font as an insert in the front
13	of the policy, of the following disclosures:
14	* * *
15	(8) That the homeowner may reduce the cost of the policy's premium by
16	making improvements or modifications to the property such as adding storm
17	shutters, modifying the roof design, and improving the roof covering and

Page 1 of 3 Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.

1	<u>advising the homeowner to contact the insurance producer or insurer for details</u>
2	on qualifying improvements or modifications.
3	* * *
4	Section 2. The commissioner shall complete promulgation of the form required by
5	Section 1 of this Act no later than November 30, 2019.
6	Section 3. The provisions of Section 1 of this Act shall become effective six months
7	after the promulgation of the form required by Section 2 of this Act and shall be applicable
8	for all new homeowner's policies and renewal of existing homeowner's policies issued or
9	renewed after that date.
0	Section 4. The provisions of this Section and of Sections 2 and 3 of this Act shall
1	become effective on June 30, 2019; if vetoed by the governor and subsequently approved
12	by the legislature, the provisions of this Section and of Sections 2 and 3 of this Act shall
13	become effective on June 30, 2019, or on the day following such approval by the legislature,
4	whichever is later.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by LG Sullivan.

DIGEST

SB 197 Engrossed

2019 Regular Session

Bishop

<u>Present law</u> requires any homeowners' insurance policy issued in La. which provides coverage for damage to property to include certain disclosures; among these are the coverages included in the policy, whether floor or mold is covered, notification and other time line provisions applicable to claims, and certain information related to deductibles. Provides for these disclosures to be prominently displayed on a form developed and promulgated by the commissioner.

<u>Proposed law</u> retains <u>present law</u> and adds a requirement that each policy contain a disclosure that the homeowner may reduce the cost of the policy's premium by making improvements or modifications to the property and advising the homeowner to contact the insurance agent for details on qualifying improvements or modifications.

<u>Present law</u> provides that the required disclosures in <u>present law</u> do not affect the policy coverages.

Proposed law retains present law.

Effective June 30, 2019.

(Adds R.S. 22:1332(B)(8))

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Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original <u>bill</u>

1. Require that each policy contain a disclosure that the homeowner may reduce the cost of the policy's premium by making improvements or modifications to the property and advising the homeowner to contact the insurance agent for details on qualifying improvements or modifications.