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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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SB 370 Engrossed

2024 Regular Session

Bass

Present law prohibits an insurer from cancelling or failing to renew a homeowners' policy or from increasing the deductible for a homeowners' policy when the homeowners' policy has been in effect and renewed for 3 years or more, unless the cancellation or nonrenewal is for failure to pay premiums, insurance fraud, a material change in risk, the insured filing two or more homeowners' policy claims within a continuous 3-year period within the 5 years preceding the current renewal date, the insurer is insolvent, the continuation of the homeowner's policy endangers the solvency of the insurer, or the insurer withdraws from the market in this state. Present law provides an insurance claim is deemed a claim only when there is a demand for payment by the insured or the insured's representative under the terms of the policy. Present law provides an exception to present law if the claim incurred or arose from an "Act of God".

Proposed law retains present law but authorizes an insurer to modify homeowners' policy deductibles for policies that have been in effect or renewed for 3 years or more. Proposed law adds that a modification of coverage at the time the policy is renewed is not deemed a cancellation or failure to renew. Proposed law further provides technical changes.

Present law provides an insurer can increase a homeowners' policy deductible up to 4% for named storms or hurricanes on policies that have been in effect or renewed for 3 years or more, upon written notification to the commissioner of insurance. Present law provides the insurer may file a business plan for the commissioner's approval that provides where the insurer proposes to write new business in a particular region or area of the state where the new deductible applies. Present law provides business plan filings are considered proprietary or trade secret.

Proposed law repeals present law.

Present law requires an insurer to reduce insurance premium rates paid by an individual homeowner by an amount determined to be actuarially justified by the commissioner.

Proposed law repeals present law.

Proposed law provides that proposed law relative to modification of coverage and annual review of any insurer cancelling or failing to renew homeowners policies in effect or renewed for 3 years or more does not apply to any property, casualty, or liability insurance issued after Aug. 1, 2024.

Proposed law provides an insurer on or before Aug. 1, 2024, may file with the commissioner notice of its intention to nonrenew up to 5% of its homeowner's policies per calendar year for any reason. Proposed law provides an insurer can request the commissioner to approve more than 5% for homeowners' insurance in effect for at least 3 years on or before Aug. 1, 2024. Proposed law provides the filings to cancel or nonrenew certain homeowner's policies is considered proprietary or trade secret. Proposed law requires the commissioner to promulgate rules and regulations in regards to proposed law.

Proposed law repeals duplicative provisions of present law.

Proposed law prohibits a homeowners' policy from including a provision that applies more than one deductible to a loss resulting from any single accident covered under the homeowner's policy.

Proposed law repeals present law.

Present law prohibits an insurer and any unauthorized insurer withdrawing from the homeowners' market in this state from issuing any new homeowners' coverage in this state for 5 years from the discontinuation of the last homeowners' coverage that was not renewed. Present law authorizes the commissioner to allow an insurer to reenter the homeowners' market for good cause.

Proposed law repeals present law.

Proposed law relative to nonrenewal of policies in place for at least 3 years on or before Aug. 1, 2024, is effective upon the signature of the governor or lapse of time for gubernatorial action. All other provisions of proposed law are effective Jan. 1, 2025.

(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))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original bill

1. Makes technical changes.
2. Relocates and reorganizes provisions of proposed law.
3. Provides for legislative intent.
4. Provides for an effective date.

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the engrossed bill:

1. Make technical changes.