HLS 14RS-5273 **ORIGINAL**

Regular Session, 2014

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HOUSE CONCURRENT RESOLUTION NO. 199

BY REPRESENTATIVE STOKES

INSURANCE CLAIMS: Requests the Louisiana Department of Insurance to study prohibiting insurers from using claims that did not exceed the insured's deductible to cancel coverage

A CONCURRENT RESOLUTION

To urge and request the Louisiana Department of Insurance to conduct a study to determine whether R.S. 22:1265 permits an insurer to consider an insured's claim that does not exceed the insured's deductible to cancel coverage or raise the deductible; and if it is deemed that the statute allows an insurer to consider these claims, to develop an appropriate disclosure for the insurer to place on the declarations page of the policy to advise the insured of the consequences of filing a claim that does not exceed the deductible, and to report its findings and recommendations to the legislative committees on insurance. WHEREAS, R.S. 22:1265 provides that an insurer may cancel or fail to renew a homeowner's policy of insurance or to increase the policy deductible when the insured has made two or more claims within a period of three years; and 13 WHEREAS, R.S. 22:1265 provides that an incident shall be deemed a claim when there is a demand for payment by the insured or the insured's representative under the terms of the homeowner's policy of insurance, but does not define what constitutes a demand for 16 payment; and 17 WHEREAS, R.S. 22:1265 does not explicitly state that an insurer shall actually pay 18 money to the insured or on behalf of the insured before using the claim as one of the two 19 claims within a period of three years as grounds for canceling or failing to renew a 20 homeowner's policy of insurance or to increase the policy deductible.

1 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby 2 request the Department of Insurance to conduct a study to determine whether R.S. 22:1265 3 permits an insurer to consider an insured's claim that does not exceed the insured's 4 deductible to cancel coverage or raise the policy's deductible. 5 BE IT FURTHER RESOLVED that the Legislature of Louisiana requests that the 6 Department of Insurance include in its study whether an insurer should be allowed to 7 consider a claim on which it has paid no money to or on behalf of an insured as grounds for 8 canceling or failing to renew a homeowner's policy of insurance or increasing the policy 9 deductible of a homeowner's policy. 10 BE IT FURTHER RESOLVED that the Legislature of Louisiana does hereby request 11 that the Department of Insurance recommend possible amendments to R.S. 22:1265 based 12 on the findings of this study, including a definition of a demand for payment and whether 13 an insurer should be required to disclose to an insured in a prominent location on the policy's 14 declarations page that making a claim on the policy on which the insurer pays no money to 15 the insured will be deemed a demand for payment under the policy and the consequences of 16 filing a claim that does not exceed the policy's deductible. 17 BE IT FURTHER RESOLVED that such a study shall include a review of other 18 states to determine if other states allow insurers to use claims that do not exceed the insured's 19 deductible as grounds for canceling or failing to renew a homeowner's policy of insurance 20 or raising the homeowner's deductible. 21 BE IT FURTHER RESOLVED that such a study shall determine if prohibiting 22 insurers from considering claims on which no payment is made either to the insured or on 23 behalf of the insured as grounds for canceling or failing to renew a homeowner's policy of 24 insurance or increasing the homeowner's deductible would have upon the willingness of 25 insurers to continue writing homeowner's insurance policies in this state. 26 BE IT FURTHER RESOLVED that the Legislature of Louisiana does hereby request 27 that the Department of Insurance shall submit its findings from this study in the form of a 28 report to the House Committee on Insurance and the Senate Committee on Insurance on or 29 before January 15, 2015.

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BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the

commissioner of insurance.

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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)]

Stokes HCR No. 199

Urges and requests the Department of Insurance to conduct a study of whether insurers should be allowed to consider claims on which no money has been paid by the insurer either to the insured or on behalf of the insured as grounds for canceling or failing to renew a homeowner's policy of insurance, for increasing the deductible for a homeowner's policy, or for increasing the premium of an automobile insurance policy.