

2021 Regular Session

SENATE BILL NO. 70

BY SENATOR ABRAHAM

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

INSURANCE POLICIES. Provides relative to named storm deductibles for commercial properties. (8/1/21)

1 AN ACT  
2 To enact R.S. 22:1267.1, relative to commercial insurance; to provide with respect to  
3 commercial property insurance deductibles applied to named storm, hurricane, and  
4 wind and hail deductibles; and to provide for related matters.  
5 Be it enacted by the Legislature of Louisiana:  
6 Section 1. R.S. 22:1267.1 is hereby enacted to read as follows:  
7 **§1267.1. Commercial insurance deductibles applied to named storm, hurricane,**  
8 **and wind and hail deductibles**  
9 **A. For purposes of this Section:**  
10 **(1) "Hurricane" means a storm system that has been declared a**  
11 **hurricane by the National Hurricane Center of the National Weather Service.**  
12 **(2) "Named storm" means a storm system that has been declared a**  
13 **named storm by the National Hurricane Center of the National Weather**  
14 **Service.**  
15 **(3) "Separate deductible" means a deductible that applies to damage**  
16 **incurred during a specified weather event and may be expressed as a percentage**  
17 **of the insured value of the property or as a specific dollar amount, and includes**

1 hurricane, named storm, and wind and hail deductibles.

2 B. For all authorized commercial property insurance policies and  
 3 authorized commercial multi-peril insurance policies issued or renewed by an  
 4 authorized insurer on or after August 1, 2021, any separate deductible that  
 5 applies in place of any other deductible to loss or damage resulting from a  
 6 named storm or hurricane shall be applied on an annual basis to all named  
 7 storm or hurricane losses that are subject to the separate deductible during the  
 8 calendar year.

9 C. If an insured incurs named storm or hurricane losses from more than  
 10 one named storm or hurricane during a calendar year that are subject to the  
 11 separate deductible provided in Subsection B of this Section, the insurer may  
 12 apply a deductible to the succeeding named storms or hurricanes that is equal  
 13 to the remaining amount of the separate deductible, or the amount of the  
 14 deductible that applies to all perils other than a named storm or hurricane,  
 15 whichever is greater. Insurers may require commercial policyholders to  
 16 maintain receipts or other records of any losses in order to apply any losses to  
 17 subsequent named storm or hurricane claims.

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Jerry J. Guillot.

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DIGEST

SB 70 Original

2021 Regular Session

Abraham

Proposed law provides that for all authorized property insurance policies and authorized commercial multi-peril insurance policies issued or renewed by an authorized insurer on or after August 1, 2021, any separate deductible that applies in place of any other deductible to loss or damage resulting from a named storm or hurricane shall be applied on an annual basis to all named storm or hurricane losses that are subject to the separate deductible during the calendar year.

Proposed law permits an insurer to apply a deductible to the succeeding named storms or hurricanes that is equal to the remaining amount of the separate deductible, or the amount of the deductible that applies to all perils other than a named storm or hurricane, whichever is greater, if an insured incurs named storm or hurricane losses from more than one named storm or hurricane during a calendar year that are subject to the separate deductible referred to in proposed law.

Effective August 1, 2021.

(Adds R.S. 22:1267.1)