
DIGEST

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HB 451 Reengrossed

2021 Regular Session

Davis

Abstract: Provides for discounts and insurance rate reductions for residential and commercial buildings built to, or retrofitted to, reduce the threat of loss due to windstorm events.

Present law provides that any insurer required to submit rates and rating plans to the commissioner of insurance shall provide an actuarially justified discount, credit, rate differential, adjustment in deductible, or any other adjustment to reduce the insurance premium to insureds who build or retrofit a structure to comply with the requirements of the State Uniform Construction Code.

Proposed law retains present law and provides that insurers required to submit rates and rating plans to the commissioner shall comply with the requirements of the State Uniform Construction Code or the Insurance Institute for Business and Home Safety.

Proposed law provides that after July 1, 2022, all insurers required to submit rating plans to the commissioner may, if actuarially justified, provide credits and discounts in compliance with the fortified home and fortified commercial standards created by the Insurance Institute for Business and Home Safety.

Proposed law provides that any homeowner currently receiving discounts under present law may opt to maintain discounts offered prior to July 1, 2022, so long as the homeowner continues to meet the requirements to maintain such discounts, in lieu of the discount provided in present law.

Proposed law provides that to obtain a credit or discount provided in proposed law, any insurable property located in this state may be certified as constructed in accordance with the fortified home or fortified commercial standards provided by the Insurance Institute for Business and Home Safety.

Proposed law provides that an insurable property shall be certified as in conformance with the fortified home or fortified commercial standards only after inspection and certification by an Insurance Institute for Business and Home Safety certified inspector.

Proposed law provides that an owner of insurable property claiming a credit or discount shall maintain and provide certification records and construction records for which it seeks a discount.

Proposed law provides that an owner of insurable property claiming a credit or discount shall maintain the Insurance Institute for Business and Home Safety certification documents. The certification shall be presented to the insurer or potential insurer of a property owner before the adjustment becomes effective for the insurable property along with any other necessary records.

Proposed law provides that the credit or discount shall apply only to policies that provide wind coverage and may apply to the portion of the premium for wind coverage or to the total premium, if the insurer does not separate out the premium for wind coverage in the rate filing.

Proposed law provides that the records required in proposed law are subject to audit by the commissioner.

Proposed law provides that nothing in proposed law shall prohibit insurers from offering additional adjustments in deductible, other credit rate differentials, or a combination thereof.

Proposed law specifies that for the purposes of proposed law, insurable property shall include single-family residential property, commercial property, modular homes, and manufactured homes that may be retrofitted.

Proposed law makes technical changes.

(Amends R.S. 22:1483(A) and (C); Adds R.S. 22:1483(D))

Summary of Amendments Adopted by House

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

1. Make technical changes.
2. Allow insurers required to submit rates and rating plans to the commissioner to either comply with the requirements of the State Uniform Construction Code or the Institute for Business and Home Safety.
3. Make the application of the credits and discounts by insurers in present law (R.S. 22:1483) permissive, rather than mandatory.

The House Floor Amendments to the engrossed bill:

1. Clarify that the Institute for Business and Home Safety referenced in proposed law is the Insurance Institute for Business and Home Safety.