

2017 Regular Session

SENATE BILL NO. 134

BY SENATOR ALLAIN

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

PROPERTY INSURANCE. Provides for the Louisiana Citizens Home Strengthening Grant Pilot Program. (8/1/17)

1 AN ACT

2 To enact R.S. 22:2318, relative to Louisiana Citizens Property Insurance Corporation; to
3 provide with respect to the Louisiana Citizens Home Strengthening Grant Pilot
4 Program; to provide for definitions; to provide for grant application requirements;
5 to provide with respect to building code enforcement; and to provide for related
6 matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:2318 is hereby enacted to read as follows:

9 **§2318. Louisiana Citizens Home Strengthening Grant Pilot Program**

10 **A. For purposes of this Section, unless the context otherwise requires,**
11 **the following definitions are applicable:**

12 **(1) "Citizens" shall mean the Louisiana Citizens Property Insurance**
13 **Corporation.**

14 **(2) "Financial reserves" shall mean the residual funds maintained by**
15 **Citizens.**

16 **(3) "Pilot program" shall mean the Louisiana Citizens Home**
17 **Strengthening Grant Pilot Program.**

1 (4) "Policyholders" shall mean individuals who have homeowners
2 insurance written by Citizens covering their primary residences.

3 (5) "Primary residence" shall mean the homestead in which the
4 policyholder resides.

5 (6) "Retrofit" or "retrofitting" shall mean the utilization of mitigation
6 improvements or construction techniques demonstrated to reduce the amount
7 of loss from a windstorm, tornado, or hurricane. Such mitigation improvements
8 or construction techniques shall include but not be limited to roof deck
9 attachments; secondary water barriers; roof coverings; brace gable ends;
10 construction techniques which enhance or reinforce roof strength; opening
11 protection; and window, door, and skylight strength.

12 B. There is hereby created the Louisiana Citizens Home Strengthening
13 Grant Pilot Program to be administered by Citizens as further provided in this
14 Section. The pilot program created by this Section shall be available only to
15 policyholders who reside in Cameron, Vermilion, St. Mary, Terrebonne, and
16 LaFourche parishes who apply for grants through Citizens for the sole purpose
17 of retrofitting their primary residences to resist loss due to hurricane, tornado,
18 or other catastrophic windstorm. The one-time grant amount shall not exceed
19 fifteen thousand dollars per application.

20 C. Citizens shall fund the pilot program for twelve consecutive months
21 beginning August 1, 2017, from financial reserves maintained by the
22 corporation. In no event shall the total pilot program budget including
23 administrative costs exceed one million five hundred thousand dollars.

24 D. Citizens shall establish an application process for the pilot program
25 that provides for retrofit modification plans prepared by a licensed contractor
26 and reviewed and approved by the local parish building code enforcement
27 agency as provided for in R.S. 40:1730.23 et seq.

28 E. Upon completion of the retrofitting, the applicant shall notify the
29 local parish building code enforcement agency to arrange for a final inspection

1 **and certification. The building code enforcement agency shall notify Citizens**
 2 **when the modifications are completed and certified. Citizens shall post at least**
 3 **one photograph of each retrofitted homestead on its website.**
 4 **F. Citizens shall submit a report to the Louisiana Senate Committee on**
 5 **Insurance and the Louisiana House Committee on Insurance by December 15,**
 6 **2018, which includes the number of applicants per parish, the amount requested**
 7 **per application, and the amount of the grant awarded per application. The**
 8 **report shall also include the number of policyholders awarded grants whose**
 9 **policies were thereafter depopulated from Citizens and insured by private**
 10 **sector homeowners insurance companies.**

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

DIGEST

SB 134 Original

2017 Regular Session

Allain

Present law establishes Louisiana Citizens Property Insurance Corporation ("Citizens") as a nonprofit corporation which operates residual market insurance programs.

Proposed law provides for definitions.

Proposed law creates the Louisiana Citizens Home Strengthening Grant Pilot Program to allow for the award of a grant by Citizens, up to \$15,000, to pay for retrofitting a homestead insured by Citizens.

Proposed law limits the pilot program to Citizens' policyholders who reside in Cameron, Vermilion, St. Mary, Terrebonne, and LaFourche parishes.

Proposed law establishes the pilot program for a duration of 12 consecutive months with a budget not to exceed \$1.5 million, funded by Citizens' existing financial reserves.

Proposed law requires Citizens to establish an application process for the pilot program that provides for retrofit modification plans prepared by a licensed contractor and reviewed and approved by the local parish building code enforcement agency as provided for in present law.

Proposed law requires the applicant to secure a final inspection and certification from the local parish building code enforcement agency upon completion of the retrofitting. Requires Citizens to post photographs of the modified residences on its website.

Proposed law requires Citizens to submit a report to the Senate and House committees on insurance by December 15, 2018, which includes the number of applicants per parish, the amount requested per application, and the amount of the grant awarded. The report shall also include the number of policyholders awarded grants whose policies were depopulated from Citizens and insured by private sector insurance companies.

SLS 17RS-99

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Effective August 1, 2017.

(Adds R.S. 22:2318)