

2017 Regular Session

HOUSE BILL NO. 393

BY REPRESENTATIVE CONNICK

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

INSURANCE/POLICIES: Provides for the elimination of contents coverage on residential properties following a declared disaster

1 AN ACT

2 To amend and reenact R.S. 22:1331, relative to residential property insurance policies; to
3 provide certain policyholders the option to exclude personal property coverage after
4 a declared disaster; to provide for a reduction in premium; to provide for the
5 withdrawal of the exclusion and the reduction in premium; and to provide for related
6 matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:1331 is hereby amended and reenacted to read as follows:

9 §1331. Personal property coverage; option to exclude

10 A.(1) ~~In the gubernatorially declared a disaster areas for Hurricanes Katrina~~
11 ~~and Rita area declared by the governor,~~ any insurance company that issues a
12 homeowner's policy, as is defined in R.S. 22:47(15), ~~and~~ which includes personal
13 property coverage ~~in the coastal parishes of Louisiana, except for rental insurance,~~
14 shall make available, during the term of the policy, upon written request of the
15 policyholder, ~~one~~ either of the following options:

16 ~~(1)~~ (a) a A residential property policy that provides dwelling coverage
17 without personal property coverage.

18 ~~or (2)~~ (b) an An exclusion of personal property coverage.

1 (2) ~~that~~ Upon the exercise of either option by the policyholder, the insurer
2 shall ~~be accompanied by~~ calculate an appropriate reduction in premium that shall be
3 returned to the policyholder.

4 B. Notwithstanding any provision of law to the contrary, such substitute
5 policy or exclusion of personal property coverage that occurs during the term of the
6 policy shall not be considered a new policy. This Section shall only apply to
7 homeowners' insurance policies written on structures ~~that have been~~ rendered
8 uninhabitable ~~as determined by Hurricanes Katrina and Rita~~ as determined by the
9 local governing authority or insurer because they ~~have~~ sustained extensive damage
10 to more than fifty percent of the dwelling area. In addition, the insurer may
11 withdraw the exclusion or substitute policy when one of the following has occurred:

12 (1) ~~after~~The ~~the~~ structure has been repaired to the point that it is again
13 habitable.

14 (2) ~~or the~~The homeowners' policy has been terminated.

15 (3) The passage of twenty-four months from the effective date of the
16 substitute policy or exclusion of personal property coverage.

17 Section 2. This Act shall become effective on January 1, 2018.

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)]

HB 393 Original

2017 Regular Session

Connick

Abstract: Allows certain policyholders to exclude personal property coverage after a declared disaster and receive a reduction in premium.

Present law allowed homeowners to exclude personal property coverage in the gubernatorially declared disaster areas for Hurricanes Katrina and Rita on structures that had been rendered uninhabitable due to sustaining extensive damage to more than 50% of the dwelling area, and receive a reduction in premium.

Proposed law removes references to Hurricanes Katrina and Rita, and allows a homeowner to exclude personal property coverage in a disaster area declared by the governor when a structure has been rendered uninhabitable due to sustaining extensive damage to more than 50% of the dwelling area, and receive a reduction in premium.

Proposed law allows the insurer to terminate the exclusion when one of the following has occurred:

- (1) The structure has been repaired and become habitable again.
- (2) The homeowner's policy has been terminated.
- (3) Twenty-four months have passed from the effective date of the substitute policy or exclusion of coverage.

Effective January 1, 2018.

(Amends R.S. 22:1331)