

2021 Regular Session

SENATE BILL NO. 54

BY SENATOR LUNEAU

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

INSURANCE POLICIES. Provides relative to hurricane, named storm, and wind and hail deductibles. (1/1/22)

1 AN ACT

2 To enact R.S. 22:1337(D), relative to homeowners' insurance; to provide for policy

3 deductibles as applied to named storm, hurricane, and wind and hail deductibles; to

4 require the execution of a separate form listing the specific amount for each

5 deductible expressed as a percentage of the insured value of the property or as a

6 specific dollar amount or both; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:1337(D) is hereby enacted to read as follows:

9 §1337. Homeowners' insurance deductibles applied to named-storms, hurricanes,

10 and wind and hail deductibles

11 * * *

12 **D.(1) The commissioner shall prescribe a separate form regarding**

13 **named storm, hurricane, and wind and hail deductibles proposed in a policy of**

14 **homeowners' insurance. The form shall list the specific amount for each**

15 **deductible expressed as a percentage of the insured value of the property, or as**

16 **a specific dollar amount, or as both. The form shall be provided by the insurer**

17 **and signed by the named insured or his legal representative prior to the**

1 effective date of the insurance policy.

2 **(2) The signed form shall become a part of the policy, irrespective of**
 3 **whether physically attached to the policy. The new form shall be provided as**
 4 **required by this Subsection and signed by the insured prior to any agreement**
 5 **changing the amounts of any deductibles.**

6 Section 2. This Act shall become effective on January 1, 2022; if vetoed by the
 7 governor and subsequently approved by the legislature, this Act shall become effective on
 8 January 1, 2022, or on the day following such approval by the legislature, whichever is later.

The original instrument was prepared by Cheryl Cooper. The following digest, which does not constitute a part of the legislative instrument, was prepared by Ann S. Brown.

DIGEST

SB 54 Reengrossed

2021 Regular Session

Luneau

Present law provides for all homeowners' insurance policies or other policies insuring a one- or two-family owner occupied premises for fire and allied lines, issued or renewed by authorized insurers on or after January 1, 2010, 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 a calendar year.

Present law permits an insurer to apply a deductible to 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 deductibles referred to in present law.

Proposed law retains present law.

Proposed law requires the commissioner to prescribe a separate form regarding named storm, hurricane, and wind and hail deductibles proposed in a homeowner's insurance policy that lists the specific amount for each deductible expressed as a percentage of the insured value of the property, or as a specific dollar amount, or as both. The form shall be provided by the insurer and signed by the named insured or his legal representative prior to the effective date of the policy.

Proposed law requires the form to become a part of the homeowner's insurance policy, irrespective of whether physically attached. A new form shall be provided and signed by the insured prior to an agreement changing the amounts of any deductibles.

Effective Jan. 1, 2022.

(Adds R.S. 22:1337(D))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original bill

1. Removes requirement of insurer to sign the form.
2. Removes requirement that a new form be provided before a change to the policy limits.

Senate Floor Amendments to engrossed bill

1. Changes the effective date from governor signature to 1/1/2022.