2022 Regular Session

HOUSE BILL NO. 87

BY REPRESENTATIVE FIRMENT

INSURANCE/FIRE-CASUALTY: Provides for the total loss computation under policy
        valuation clauses in fire insurance policies

1   AN ACT

2   To amend and reenact R.S. 22:1318(A), relative to policy valuation clauses in fire insurance

3   policies; to provide for the inclusion of movable property in the total loss

4   computation under policy valuation clauses in fire insurance policies; and to provide

5   for related matters.

6   Be it enacted by the Legislature of Louisiana:

7   Section 1. R.S. 22:1318(A) is hereby amended and reenacted to read as follows:

8   §1318. Valued policy clause; exceptions

9   A.   Under any fire insurance policy insuring inanimate, movable or

10   immovable property in this state, if the insurer places a valuation upon the covered

11   property and uses such valuation for purposes of determining the premium charge

12   to be made under the policy, in the case of total loss the insurer shall compute and

13   indemnify or compensate any covered loss of, or damage to, such property which

14   occurs during the term of the policy at such valuation without deduction or offset,

15   unless a different method is to be used in the computation of loss, in which latter

16   case, the policy, and any application therefor, shall set forth in type of equal size, the

17   actual method of such loss computation by the insurer. Coverage may be voided

18   under said the contract in the event of criminal fault on the part of the insured or the

19   assigns of the insured.

20   *   *   *

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)]

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Abstract: Provides for the total loss computation under policy valuation clauses in fire insurance policies.

Present law provides that if a fire insurance policy insuring inanimate, immovable property contains a valuation clause and a total loss occurs, the insurer shall compute any covered loss to such property at the valuation found in the policy without deduction or offset.

Present law provides that if a different method is to be used in the computation of loss, the policy and any application therefor, shall set forth in type of equal size, the actual method of such loss computation.

Present law provides that coverage may be voided in the event of criminal fault by the insured or the assigns of the insured.

Proposed law retains present law and provides for the inclusion of movable property in the total loss computation.

(Amends R.S. 22:1318(A))

CODING: Words in s̶t̶r̶u̶c̶k̶ ̶t̶h̶r̶o̶u̶g̶h̶ type are deletions from existing law; words underscored are additions.