2023 Regular Session

HOUSE BILL NO. 584

BY REPRESENTATIVE GAROFALO

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

INSURANCE: Suspends the premium surcharge of at least ten percent assessed by the Louisiana Citizens Property Insurance Corporation for policies issued in parishes affected by the 2020 and 2021 hurricanes

1	AN ACT
2	To amend and reenact R.S. 22:2303(D)(1), relative to the Louisiana Citizens Property
3	Insurance Corporation; to provide for imposition of the minimum ten percent
4	surcharge on premiums for policies issued by the Corporation; to exclude certain
5	parishes from imposition of the surcharge for a designated period of time; to provide
6	for effectiveness; and to provide for related matters.
7	Be it enacted by the Legislature of Louisiana:
8	Section 1. R.S. 22:2303(D)(1) is hereby amended and reenacted to read as follows:
9	§2303. Rates, rating plans, and rate rules applicable
10	* * *
11	D.(1)(a) Notwithstanding the provisions of Paragraph (A)(1) of this Section,
12	until August 15, 2010, the corporation shall charge the higher of (a) actuarially
13	justified rates or (b) the highest rates charged among assessable insurers that have
14	a minimum of two percent of the total direct written premium in each respective
15	parish for that line of business in the preceding year, or, with respect to personal
16	lines property insurance, excluding wind and hail policies, only, (c) the highest rates
17	charged among assessable insurers in each respective parish which in the preceding
18	year increased by at least twenty-five additional personal lines property insurance
19	policies, excluding wind and hail policies, in such parish, the total number of such

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1 policies in effect for the parish over the year before, in any noncompetitive market 2 unless competition resumes. If the corporation is writing more than fifty percent of 3 the residential property insurance business in a market, including wind- and hail-only 4 coverages, the board of directors shall report that fact to the commissioner of 5 insurance. Notwithstanding any other provision of law to the contrary, until August 6 15, 2015, regardless of whether a competitive market may exist, the ten percent rate 7 in excess of the higher of (a) the actuarially justified rate or (b) the highest rates 8 charged among assessable insurers that have a minimum of two percent of the total 9 direct written premium in each respective parish for that line of business in the 10 preceding year, or, with respect to personal lines property insurance, excluding wind 11 and hail policies, only, (c) the highest rates charged among assessable insurers in 12 each respective parish which in the preceding year increased by at least twenty-five 13 additional personal lines property insurance policies, excluding wind and hail 14 policies, in such parish, the total number of such policies in effect for the parish over 15 the year before, as authorized in Subsection A of this Section, shall not apply in St. 16 Mary Parish and parishes listed in R.S. 40:1730.27(A).

17 (b) Notwithstanding any other provision of law to the contrary, the ten 18 percent rate in excess of the higher of (a) the actuarially justified rate or (b) the 19 highest rates charged among assessable insurers that have a minimum of two percent 20 of the total direct written premium in each respective parish for that line of business 21 in the preceding year, or, with respect to personal lines property insurance, excluding 22 wind and hail policies, only, (c) the highest rates charged among assessable insurers 23 in each respective parish which in the preceding year increased by at least 24 twenty-five additional personal lines property insurance policies, excluding wind and 25 hail policies, in such parish, the total number of such policies in effect for the parish 26 over the year before, as authorized in Subsection A of this Section, does not apply 27 to the following parishes affected by the 2020 and 2021 hurricanes Laura, Delta, 28 Zeta, and Ida: Acadia, Allen, Ascension, Assumption, Beauregard, Caddo, Calcasieu, 29 Caldwell, Cameron, East Baton Rouge, East Feliciana, Grant, Iberia, Iberville,

1	Jackson, Jefferson, Jefferson Davis, Lafayette, Lafourche, LaSalle, Lincoln,	
2	Livingston, Morehouse, Natchitoches, Orleans, Ouachita, Plaquemines, Point	
3	Coupee, Rapides, Sabine, St. Bernard, St. Charles, St. Helena, St. James, St. John the	
4	Baptist, St. Landry, St. Martin, St. Mary, St. Tammany, Tangipahoa, Terrebonne,	
5	Vermilion, Vernon, Washington, West Baton Rouge, West Feliciana, Winn, and	
6	Union.	
7	* * *	
8	Section 2. R.S. 22:2303(D)(1)(b) as enacted by Section 1 of this Act shall expire on	
9	August 15, 2024 at 11:59 p.m.	
10	Section 3. It is the intent of the legislature that R.S. $22:2303(D)(1)(a)$ as enacted by	
11	Section 1 of this Act shall continue in force and effect and shall be interpreted as though the	
12	provision had not been amended by Section 1 of this Act.	
13	Section 4. This Act shall become effective upon signature by the governor or, if not	
14	signed by the governor, upon expiration of the time for bills to become law without signature	
15	by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If	
16	vetoed by the governor and subsequently approved by the legislature, this Act shall become	
17	effective on the day following such approval.	

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 584 Original	2023 Regular Session	Garofalo
<u>8</u>		

Abstract: Suspends the premium increase of at least 10% assessed by the La. Citizens Property Insurance Corp. for parishes affected by the 2020 and 2021 hurricanes.

<u>Present law</u> authorizes the La. Citizens Property Insurance Corp. to charge a premium of at least 10% higher than either of the following:

- (1) The actuarially justified rate.
- (2) The highest rates charged among assessable insurers that have a minimum of 2% of the total direct written premium in each respective parish for that line of business in the preceding year or with respect to personal lines property insurance, excluding wind and hail policies.
- (3) The highest rates charged among assessable insurers in each respective parish which in the preceding year increased additional personal lines property insurance policies

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by at least 25 over the total number of such policies in effect for the parish in the preceding year, excluding wind and hail policies.

<u>Proposed law</u> retains present law but provides that the premium increase of at least 10% provided for in present law (R.S. 22:2303(A)(1)) does not apply to the certain parishes affected by the 2020 and 2021 hurricanes Laura, Delta, Zeta, and Ida.

Proposed law expires on Aug. 15, 2024 at 11:59 p.m.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 22:2303(D)(1))