2023 Regular Session

HOUSE BILL NO. 294

## BY REPRESENTATIVE WILLARD

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana. INSURANCE/PROPERTY: Provides for certain insurance premium discounts

1	AN ACT
2	To amend and reenact R.S. 22:1483(A), (B), and (C)(1), relative to property insurance
3	premium discounts; to provide for certain building standards; to require certain
4	discounts; to provide an option for certain discounts; and to provide for related
5	matters.
6	Be it enacted by the Legislature of Louisiana:
7	Section 1. R.S. 22:1483(A), (B), and (C)(1) are hereby amended and reenacted to
8	read as follows:
9	§1483. Premium discounts, credits, rate differentials, adjustments in deductibles,
10	and other adjustments for compliance with building codes and for damage
11	mitigation
12	A. Any insurer required to submit rates and rating plans to the commissioner
13	of insurance shall provide an actuarially justified discount, credit, rate differential,
14	adjustment in deductible, or any other adjustment to reduce the insurance premium
15	to insureds who build or retrofit a structure to comply with the requirements of the
16	State Uniform Construction Code or the fortified home or fortified commercial
17	standards created by the Insurance Institute for Business and Home Safety.
18	B. Any insurer required to submit rates and rating plans to the commissioner
19	of insurance shall provide an actuarially justified discount, credit, rate differential,

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1 adjustment in deductible, or any other adjustment to reduce the insurance premium 2 to insureds who install mitigation improvements or retrofit their property utilizing construction techniques demonstrated to reduce the amount of loss from a windstorm 3 4 or hurricane. Such mitigation improvements or construction techniques shall include 5 but not be limited to roof deck attachments; secondary water barriers; roof coverings; 6 brace gable ends; construction techniques which enhance or reinforce roof strength; 7 roof-covering performance; roof-to-wall strength, wall-to-floor-to-foundation 8 strength; opening protection; and window, door, and skylight strength.

9 C.(1) After July 1, 2022, all All insurers required to submit rating plans to 10 the commissioner may, if actuarially justified, provide credits and discounts in 11 compliance with shall provide an actuarially justified discount, credit, rate 12 differential, adjustment in deductible, or any other adjustment to reduce the insurance premium charged to any insured who builds or retrofits a structure to 13 14 comply with the requirements of the fortified home and fortified commercial 15 standards created by the Insurance Institute for Business and Home Safety. Any 16 homeowner who is currently receiving discounts pursuant to this Section may opt to 17 maintain discounts offered prior to July 1, 2022, if the homeowner continues to meet 18 the requirements to maintain such discounts, in lieu of the discount provided in this 19 Subsection.

## 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 294	Engrossed
--------	-----------

20

2023 Regular Session

Willard

**Abstract:** Provides for insurance premium discounts for insureds who comply with the Insurance Institute for Business and Home Safety (IIBHS).

<u>Present law</u> provides that any insurer required to submit rates and rating plans to the commissioner of insurance shall provide an actuarially justified discount, credit, rate differential, adjustment in deductible, or any other adjustment to reduce the insurance premium to insureds who build or retrofit a structure to comply with the requirements of the State Uniform Construction Code or the IIBHS.

<u>Proposed law</u> retains <u>present law</u> and obliges insurers to provide an actuarially justified discount, credit, rate differential, adjustment in deductible, or any other structure to insureds who build or retrofit a structure to comply with the requirements of the fortified home or fortified commercial standards created by the IIBHS.

<u>Present law</u> provides that any insurer required to submit rates and rating plans to the commissioner of insurance shall provide an actuarially justified discount, credit, rate differential, adjustment in deductible, or any other adjustment to reduce the insurance premium to insureds who install mitigation improvements or retrofit their property utilizing construction techniques demonstrated to reduce the amount of loss from a windstorm or hurricane.

<u>Present law</u> provides that after July 1, 2022, all insurers required to submit rating plans to the commissioner may, if actuarially justified, provide credits and discounts in compliance with the fortified home and fortified commercial standards created by the Insurance Institute for Business and Home Safety.

<u>Proposed law</u> removes the effective date.

<u>Proposed law</u> makes it mandatory for an insurer to provide actuarially justified discounts, credits, rate differentials, and adjustments in deductibles to any insured who builds or retrofits a structure to comply with the requirements of the Insurance Institute for Business and Home Safety.

<u>Present law</u> provides that any homeowner who is currently receiving discounts pursuant to this Section may opt to maintain discounts offered prior to July 1, 2022, if the homeowner continues to meet the requirements to maintain such discounts, in lieu of the discount provided in this Subsection.

Proposed law repeals present law.

(Amends R.S. 22:1483(A), (B), and (C)(1))

Summary of Amendments Adopted by House

- The Committee Amendments Proposed by <u>House Committee on Insurance</u> to the <u>original</u> bill:
- 1. Remove the authorization of an insured who is already receiving discounts to opt to maintain those discounts in lieu of the discounts provided in <u>present law</u>, if the property continues to meet the requirements for such discounts.
- 2. Make technical changes.