
DIGEST

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HB 569 Engrossed

2023 Regular Session

Thompson

Abstract: Modifies relative to property, casualty, and liability insurance providers with respect to the cancellation and nonrenewal of policies and policy deductibles.

Present law (R.S. 22:1265(D) and 1333(C)) prohibits insurers providing property, casualty, and liability insurance from cancelling or nonrenewing a homeowner's policy or increasing a policy deductible that has been in effect and renewed for more than 3 years, unless certain circumstances apply.

Proposed law deletes an insurer's present law prohibition against increasing deductibles for homeowners' policies in effect and renewed for more than 3 years.

Present law provides that the present law prohibition does not apply to an insurer that increases policy deductibles for all homeowners' insurance policies in this state

Proposed law amends to provide that the present law prohibition does not apply to modifications of policy deductibles for homeowners' insurance policies.

Present law (R.S. 22:1265(F) and 1333(D)) authorizes an insurer to file with the commissioner of insurance certain rating plans as a request to change the policy deductible to a total deductible of not more than 4% of the value of property being insured for named storms or hurricanes on a homeowner's policy that has been in effect for more than 3 years. Requires the insurer to include in its filing the details of the insurer's plan to write new business in the particular region or area of the state in which the new deductible will apply.

Present law requires the commissioner to base his approval on the insurer's commitment to the writing of new business in the respective region or area in which the new deductible will apply. Authorizes the commissioner to approve a filing that he determines is in the best interest of policyholders and further authorizes the commissioner to subsequently rescind approval of any filing if the insurer fails to write new business in accordance with the plan.

Present law provides that any business plan is considered proprietary or trade secret pursuant to present law. Requires the commissioner to provide an annual report to the legislative committees on insurance on the application and effectiveness of the provisions of present law and requires the commissioner to promulgate regulations in accordance with the APA setting forth the criteria for the filings he deems necessary to act on the insurer's request.

Present law requires the insurer to itemize to the insured the premium savings based on the increase in the insured's deductible.

Proposed law repeals present law (R.S. 22:1265(F) and 1333(D)).

Present law requires any company that makes a filing in accordance with present law (R.S. 22:1265(H) and 1333(F)) to reduce the rates paid by the individual homeowner by the amount determined to be actuarially justified by the commissioner.

Proposed law repeals present law (R.S. 22:1265(H) and 1333(F)).

Proposed law makes technical changes.

(Amends R.S. 22:1265(D) and 1333(C); Repeals R.S. 22:1265(F) and (H) and 1333(D) and (F))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Delete the present law prohibition against insurers increasing deductibles for homeowners' policies in effect and renewed for more than 3 years.
2. Provide that present law does not apply to modifications of policy deductibles for homeowners' insurance policies.
3. Retain certain present law provisions.
4. Make technical changes.