

2024 Regular Session

SENATE BILL NO. 484

BY SENATOR DUPLESSIS

PROPERTY INSURANCE. Provides for changes to the Louisiana Fortify Homes Program.
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AN ACT

To amend and reenact R.S. 22:1483.1(A), (E), and (F) and to enact R.S. 22:1483.1(G), relative to the Louisiana Fortify Homes Program; to provide for rulemaking; to require the department to apply for grants or other funding, if available; to provide the program may offer grants and other funding to nonprofit entities; to require insurers submit rates, rate plans, and actuarial justifications to the department; to provide for mitigation requirements; to require insurers to provide premium discounts or rate reductions under certain building requirements; to repeal the termination date; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1483.1(A), (E), and (F) are hereby amended and reenacted and R.S. 22:1483.1(G) is hereby enacted to read as follows:

§1483.1. Louisiana Fortify Homes Program

A.(1) The Louisiana Fortify Homes Program is hereby created within the department. The commissioner, as program administrator, may make financial grants to retrofit roofs of insurable property, as defined in R.S. 22:1483(~~C~~)(9), with a homestead exemption to resist loss due to hurricane, tornado, or other catastrophic

1 windstorm events and to meet or exceed the "fortified roof" standard of the Insurance
2 Institute for Business and Home Safety. The commissioner shall promulgate rules
3 and regulations governing to govern the eligibility requirements for grants, for
4 information about the Louisiana Fortify Homes Program that includes but is
5 not limited to any benefits, resources, discounts, credits, or rate adjustments an
6 insurer may offer a homeowner who has a fortified roof, and for the
7 administration of the program.

8 (2) The department shall apply for grants or funds from the federal
9 government or other funding sources, if available, to supplement the financial
10 resources of the program that may be provided by the state, including funds
11 accrued by the department that would otherwise be contributed to the state
12 general fund.

13 (3) The program may also provide grants or funding, if available, to
14 nonprofit entities as defined by Section 501(c)(3) of the Internal Revenue Code,
15 for projects to retrofit an insurable property to resist loss due to hurricane,
16 tornado, or other catastrophic windstorm events if the grants or funding to
17 nonprofit entities are allowable pursuant to any grant or funding rules,
18 requirements, guidelines, or any other criteria. A nonprofit entity shall agree
19 to administer the grants or funds in the same manner as the program is
20 required to administer grants or funds. A nonprofit entity shall provide
21 documentation to the department as requested in a timely manner.

22 * * *

23 E.(1) No later than September 1, 2025, an insurer shall submit rates and
24 rating plans to the commissioner and shall submit an actuarially justified rating
25 plan for any person who builds an insurable property to comply with the
26 requirements in this Subsection. An insurer shall not be required to provide the
27 same amount of adjustment for a building code insurable property as an insurer
28 is required to for a fortified roof insurable property. An adjustment shall only
29 apply to policies or contracts that provide wind coverage and may apply to that

1 portion of the premium for wind coverage or to the total premium if the insurer
2 does not separate out its premium for wind coverage in its rate filing. The
3 adjustment shall apply exclusively to the premium designated for the improved
4 insurable property. In addition to the requirements of this Section, an insurer
5 may voluntarily offer any other mitigation adjustment that the insurer deems
6 appropriate.

7 (2) To obtain the adjustment provided for in this Section, an insurable
8 property located in this state shall be certified as constructed in accordance with
9 the International Residential Code, adopted and amended for roof structure, as
10 adopted by the Louisiana State Uniform Construction Code Council and
11 approved by the commissioner. An insurable property shall be certified as
12 conforming to the applicable building codes only after an evaluation of the
13 insurable property has been satisfactorily completed by a building official or a
14 certified and licensed building evaluator. An insurable property shall be
15 certified as conforming to fortified roof criteria only after evaluation and
16 certification by an Insurance Institute for Business and Home Safety certified
17 evaluator.

18 (3) All mitigation shall be based upon the securing of all required local
19 permits and applicable inspections in keeping with local building codes and the
20 program that is in accordance with this Section. Mitigation projects shall be
21 subject to random reinspection of all projects.

22 F. No later than October 1, 2025, insurers shall provide a premium
23 discount or insurance rate reduction in the range of twenty to thirty percent. In
24 addition, insurers may also offer additional adjustments in deductible, other
25 credit rate differentials, or a combination thereof, collectively referred to as
26 adjustments. These adjustments shall be available under the terms specified in
27 this Section to any owner who builds or locates a new residential or commercial
28 insurable property to resist loss due to hurricane, tornado, or other catastrophic
29 windstorm events in any parish located in the state.

1 **G.** This Section does not create any of the following:

2 (1) An entitlement for property owners to receive funding to inspect or
3 retrofit residential property.

4 (2) An obligation for the state to appropriate funding to inspect or retrofit
5 residential property.

6 ~~F. The provisions of this Section shall terminate and have no effect beginning
7 at twelve o'clock midnight on June 30, 2025.~~

8 Section 2. This Act shall become effective upon signature by the governor or, if not
9 signed by the governor, upon expiration of the time for bills to become law without signature
10 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
11 vetoed by the governor and subsequently approved by the legislature, this Act shall become
12 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Beth O'Quin.

DIGEST

SB 484 Original

2024 Regular Session

Duplessis

Present law authorizes the commissioner of insurance (commissioner) to provide financial grants to retrofit roofs for insurable properties that have a homestead exemption to provide a fortified roof that meets or exceeds the fortified roof standard of the Insurance Institute for Business and Home Safety.

Present law requires the commissioner to adopt rules and regulations to govern the eligibility requirements for grants and the administration of the program.

Proposed law retains present law and adds the commissioner is required to promulgate rules and regulations when it is necessary for the proper administration of the La. Fortified Homes Roof Program, including but not limited to any benefits, resources, discounts, credits, or rate adjustments insurer may offer a homeowner who has a fortified roof.

Proposed law requires the Dept. of Insurance to apply for grants or funds from the federal government or other funding sources, if available.

Proposed law provides the La. Fortify Homes Program may provide grants or funding to nonprofit entities.

Proposed law requires insurers to submit rates, rating plans, and actuarial justifications to the commissioner no later than September 1, 2025.

Proposed law provides mitigation requirements.

Proposed law requires insurers to offer a 20% to 30% premium discount or rate reduction for residential and commercial properties to any owner who builds or locates a new insurable property to resist loss due to a hurricane, tornado, or other catastrophic windstorm events no

later than October 1, 2025.

Proposed law requires insurable property meet certain building requirements.

Present law provides the provisions of the La. Fortify Homes Roof Program terminate at midnight on June 30, 2025.

Proposed law repeals present law.

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

(Amends R.S. 22:1483.1(A), (E), and (F); adds R.S. 22:1483.1(G))