

2024 Regular Session

HOUSE BILL NO. 611

BY REPRESENTATIVE FIRMENT

1 AN ACT

2 To amend and reenact R.S. 22:1265(D), to enact R.S. 22:1265(K) and (L), and to repeal R.S.
3 22:1265(F) and (H) and 1333(C) through (H), relative to homeowners' insurance;
4 to provide for homeowners' policies in effect for three or more years; to provide
5 relative to deductibles and modification of coverages; to authorize insurers to file
6 plans and requests with the commissioner of insurance relative to the nonrenewal of
7 certain policies; to repeal relative to filings of certain rating plans and rate
8 reductions; to provide for effectiveness; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 22:1265(D) is hereby amended and reenacted and R.S. 22:1265(K)
11 and (L) are hereby enacted to read as follows:

12 §1265. Property, casualty, and liability insurance policies; cancellation and
13 nonrenewal provisions; nonrenewal for rate inadequacy; certain prohibitions

14 * * *

15 D.(1) ~~No~~ An insurer providing property, casualty, or liability insurance shall
16 not cancel or fail to renew a homeowner's policy of insurance ~~or to increase the~~
17 ~~policy deductible~~ that has been in effect and renewed for more than three years
18 unless based on nonpayment of premium, fraud of the insured, a material change in
19 the risk being insured, two or more claims within a continuous three-year period of
20 time within the five years preceding the current policy renewal date, or if
21 continuation of such policy endangers the solvency of the insurer. This Subsection
22 ~~shall~~ does not apply to an insurer that withdraws from the homeowners' insurance

1 market in this state or to the modification of policy deductibles ~~increased~~ for all
 2 homeowners' policies in this state. For the purposes of this Subsection, modification
 3 of coverages at the time of renewal shall not be deemed a cancellation or failure to
 4 renew a policy.

5 (2) For the purposes of this Subsection, an incident shall be deemed a claim
 6 only when there is a demand for payment by the insured or the insured's
 7 representative under the terms of the policy. A report of a loss or a question relating
 8 to coverage ~~shall~~ does not independently establish a claim. As used in this
 9 Subsection, the phrase "two or more claims within a continuous three-year period of
 10 time within the five years preceding the current policy renewal date" ~~shall~~ does not
 11 include any loss incurred or arising from an "Act of God" incident which is due
 12 directly to forces of nature and exclusively without human intervention.

13 * * *

14 K. Subsections D and E of this Section do not apply to any policies issued
 15 after August 1, 2024.

16 L. Notwithstanding the provisions of Subsection D of this Section, for
 17 policies in place for at least three years on or before August 1, 2024, the following
 18 provisions apply:

19 (1) Upon filing a plan with the commissioner, an insurer may nonrenew up
 20 to five percent of its customers' policies per calendar year for any reason.

21 (2) Upon request of the insurer, the commissioner may approve the
 22 nonrenewal of more than five percent of the insurer's customers' policies in a given
 23 calendar year.

24 (3) An insurer's plan and request submitted pursuant to this Subsection are
 25 considered proprietary or trade secret information pursuant to R.S. 44:3.2 and the
 26 Uniform Trade Secrets Act pursuant to Chapter 13-A of Title 51 of the Louisiana
 27 Revised Statutes of 1950.

28 (4) The commissioner shall promulgate and adopt rules, in accordance with
 29 the Administrative Procedure Act, setting forth requirements for the plan and request
 30 described in this Subsection.

1 Section 2. R.S. 22:1265(F) and (H) and 1333(C) through (H) are hereby repealed in
2 their entirety.

3 Section 3. In addition to modifying the treatment of homeowners' policies that have
4 been in effect for three or more years, the provisions of this Act are hereby intended to give
5 insurers full flexibility in the policies that they issue with regard to the deductible applicable
6 thereto. However, nothing in this Act shall be construed to prohibit a policyholder from
7 requesting a decrease in a policy's deductible in exchange for an increase in premium.

8 Section 4.(A) The provisions of R.S. 22:1265(K), as enacted by Section 1 of this
9 Act, shall become effective upon signature by the governor or, if not signed by the governor,
10 upon expiration of the time for bills to become law without signature by the governor, as
11 provided by Article III, Section 18 of the Constitution of Louisiana. If this Act is vetoed by
12 the governor and subsequently approved by the legislature, the provisions of R.S.
13 22:1265(K), as enacted by Section 1 of this Act, shall become effective on the day following
14 such approval.

15 (B) Except R.S. 22:1265(K), as enacted by Section 1 of this Act, the provisions of
16 this Act shall become effective on January 1, 2025.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____