

RÉSUMÉ DIGEST

ACT 757 (SB 113)

2024 Regular Session

Talbot

Existing law provides an exemption from class actions and penalties awarded pursuant to existing law for the La. Insurance Guaranty Association (LIGA) and the La. Citizens Property Insurance Corp. (Citizens).

New law adds certain exemptions for damages and penalties for LIGA and Citizens relative to property insurance claims. Further provides that Citizens is not liable for general damages, special damages, or penalties in excess of the policy's limit, but does not preclude Citizens from payment of legal interest due from breach or reasonable attorney fees and costs.

New law also adds certain exemptions for property damages for Citizens relative to claims involving catastrophic loss. Provides that Citizens is not liable for general damages, special damages, or penalties in excess of the policy's limit, but does not preclude Citizens from payment of legal interest due from breach or reasonable attorney fees and costs.

Existing law requires policies issued or renewed by Citizens to be at least 10% higher than the premium rates charged in accordance with existing law and provides applicable rate rules.

Prior law provided an exception that, until Aug. 15, 2010, Citizens must charge either the higher of actuarially justified rates or the highest rates charged among assessable insurers when certain criteria are met.

New law provides an exception that, until Dec. 31, 2027, rates for policies shall not exceed the higher of either actuarially justified rates or the highest rates charged among assessable insurers when certain criteria are met.

New law requires the commissioner to report to the House and Senate committees on insurance the percentage of residential property insurance business in each of the 64 parish markets in this state. Further provides the commissioner may recommend the rate exception provided in new law be legislatively terminated and the rate provisions of existing law be reinstated if Citizens is writing less than 20% of the residential property insurance in any given parish market. New law terminates on Jan. 1, 2028.

New law provides for legislative declarations and intent.

Effective Jan. 1, 2025 for new law relative to rates.

Effective July 1, 2024 for all other new law.

(Amends R.S. 22:1892(H), 1892.2(F), and 2303(D)(1); adds R.S. 22:2303(D)(6))