

GREEN SHEET REDIGEST

HB 356

2025 Regular Session

Braud

**INSURANCE/PROPERTY: Creates the Stated Value Homeowner's Policy Act.**

DIGEST

Proposed law defines "stated value policy" and "homeowner".

Proposed law allows insurers to offer a stated value policy option to homeowners, which provides for insurance coverage based on a stated value of the residential property as declared by the homeowner, rather than solely on the market value of the property. Authorizes a homeowner's agent to request a stated value policy on behalf of the homeowner.

Proposed law requires an insurer who offers a state value policy option to prominently disclose stated value policy offerings in all insurance policy proposals, agreements, and renewal documents provided to consumers.

Proposed law requires homeowners electing a stated value policy to submit to insurers a written payoff statement from the financial institution or other entity holding a mortgage on the property to accurately reflect the outstanding balance or nature of the mortgage on the property at the time of applying for or renewing the insurance policy. Further requires homeowners to provide a mortgage certificate from the clerk of court indicating the presence or absence of a mortgage on the property.

Proposed law requires the insurer to obtain a statement signed by insureds that contains a notice informing the insured of the election of a limit equal to only the unpaid principal balance of the mortgage loan. Further provides other information related to the homeowner's risk.

Proposed law provides that assessor and their employees are protected from liability for performing or failing to perform their duties under proposed law.

Proposed law prohibits an insurer from issuing a stated value policy for a sum less than the verified outstanding balance of any mortgage on the homeowner's property, ensuring that the insurance coverage adequately reflects the financial obligations associated with the property.

Proposed law requires insurers to provide a coverage limit for residential property in an amount at least equal to the assessed fair market value of the property as shown on the most recent parish assessment.

Proposed law requires the commissioner of insurance (commissioner) to develop and distribute informational materials to homeowners, detailing the risks associated with stated value policies. Requires accessibility of the materials on the La. Department of Insurance's (department's) website and requires the commissioner to review the materials every two years.

Proposed law requires the department to enforce proposed law. Authorizes the department to adopt, amend, and repeal administrative rules in accordance with the APA for implementation and enforcement of proposed law.

Proposed law provides penalties as prescribed in present law against insurers in violation of proposed law.

Proposed law provides that if any application of proposed law is held to be invalid, the application of remaining portions of proposed law are not affected.

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

(Adds R.S. 22:1346.1-1346.6)

## Summary of Amendments Adopted by House

### House Floor Amendments to the engrossed bill:

1. Authorize a homeowner's agent to request a stated value policy on behalf of the homeowner.
2. Require insurers to provide a coverage limit for residential property in an amount not less than the assessed fair market value of the property as shown on the most recent parish assessment.
3. Require the commissioner to develop and distribute informational materials to homeowners, detailing the risks associated with stated value policies. Further require accessibility of the materials on the department's website and the commissioner's biennial review of the materials.
4. Change proposed law from the "Stated Value Homeowner's Policy Act" to the "Stated Value Policy Act."

## Summary of Amendments Adopted by Senate

### Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the reengrossed bill

1. Allow insurers to offer a stated value policy option to homeowners.
2. Limit liability for assessors and their employees for performing or failing to perform their duties under proposed law.