
HOUSE COMMITTEE AMENDMENTS

2026 Regular Session

Amendments proposed by House Committee on Insurance to Original House Bill No. 825
by Representative BraudAMENDMENT NO. 1

On page 1, delete lines 2 through 4 in their entirety and insert in lieu of the following:

"To amend and reenact R.S. 22:1346.1(introductory paragraph) and (2), 1346.2, 1346.3, 1346.4, 1346.5 (A)(1) and (4) and (B)(2), relative to stated value policies; to define certain terms; to clarify valuation standards; to provide for certain notices; to provide for the information dissemination requirements of the department; to make technical changes; to provide for effectiveness; and to provide for related matters."

AMENDMENT NO. 2

On page 1, line 6, delete "R.S. 22:1346.5(B)(1)" and insert "R.S. 22:1346.1(introductory paragraph) and (2), 1346.2, 1346.3, 1346.4, 1346.5 (A)(1) and (4) and (B)(2)"

AMENDMENT NO. 3

On page 1, delete lines 7 through 15 in their entirety and insert the following in lieu thereof:

§1346.1. Definitions

~~As used in this Section~~ For the purpose of this Subpart, the following terms have the following meanings definitions apply:

* * *

(2) "Stated value policy" means a residential insurance policy under which the insured ~~has the option to~~ may declare a stated value for the insured residential property, which is agreed upon by the insurer as the amount of insurance coverage, irrespective of the ~~current market~~ replacement cost value of the property.

§1346.2. ~~Requirement to offer stated~~ Stated value policy offer

~~A.~~ Insurers offering residential property policies within this state may offer a stated value policy option to homeowners upon the request of the homeowner or his authorized agent, allowing for the insurance coverage to be based on a stated value of the residential property as declared by the homeowner or authorized agent, rather than ~~solely on the market value of the property~~ the replacement cost value of the property.

~~B. Any insurer that offers a stated value policy option to homeowners as provided in Subsection A of this Section shall prominently disclose stated value policy offerings in all insurance policy proposals, agreements, and renewal documents provided to consumers.~~

§1346.3. Homeowner requirements

A. A homeowner electing a stated value policy shall submit to his insurer a written payoff statement from the financial institution or any other entity holding a mortgage or lien on the property. This statement shall accurately reflect the outstanding balance or the nature of the mortgage or lien on the homeowner's property at the time the homeowner applies for or renews an insurance policy. In addition to the financial statement required in this Subsection, a homeowner shall also provide to his insurer a mortgage certificate from the clerk of court indicating the presence or absence of a mortgage on the property.

B. Insurers shall provide a coverage limit for residential property in an amount not less than the total assessed fair market value of the property as shown on the most recent assessment of the parish in which the property is located. However, the homeowner of a property unencumbered by a mortgage may request to insure the property for any stated amount of insurance.

1 C. (1) Before issuing any policy that limits coverage on the residential property equal
2 to the unpaid principal balance of all mortgage loans on the stated value policy, the insurer
3 shall obtain a statement signed by insureds which contains the following notice in boldfaced
4 type no smaller than eighteen-point font:

5 "YOU ARE ELECTING TO PURCHASE COVERAGE AT A LIMIT THAT IS
6 EQUAL TO ONLY THE UNPAID PRINCIPAL BALANCE OF THE MORTGAGE
7 LOANS ON YOUR HOME LESS THAN REPLACEMENT COST. ACCORDINGLY, IN
8 THE EVENT OF THE TOTAL LOSS OF YOUR HOME OR A LOSS FOR WHICH THE
9 COST TO REPAIR YOUR HOME EXCEEDS THE UNPAID BALANCE ON YOUR
10 MORTGAGE LOAN COVERAGE PROVIDED BY THE POLICY, YOU WILL INCUR
11 SIGNIFICANT FINANCIAL LOSSES, INCLUDING THE POTENTIAL LOSS OF SOME
12 OR ALL OF YOUR HOME'S EQUITY."

13 (2) This Subpart Subsection shall not be construed to affect coverage under an
14 insurance policy or create a cause of action against the insurer or the insurer's agent or
15 representative.

16 D. ~~Liability shall not be imposed on an assessor or their employees based upon the~~
17 ~~exercise or performance of or the failure to exercise or perform their duties pursuant to this~~
18 ~~Section.~~

19 §1346.4. Minimum policy value

20 A. An insurer shall not issue a stated value policy for a sum less than the verified
21 outstanding balance of any mortgage and liens on the homeowner's property, ensuring that
22 the insurance coverage adequately reflects the financial obligations associated with the
23 property.

24 §1346.5. Dissemination of information on risks associated with stated value policies;
25 commissioner

26 A. To promote consumer awareness within the insurance marketplace, the
27 commissioner shall provide clear, understandable, and accessible informational materials to
28 consumers regarding the risks, potential disadvantages, and limitations associated with stated
29 value policies. At a minimum, the commissioner shall include the following in informational
30 materials:

31 (1) A clear explanation of what stated value policies are and how they differ from
32 other types of property insurance policies, including but not limited to ~~differences of~~
33 ~~replacement costs~~ replacement cost policies.

34 * * *

35 (4) Consumer tips for evaluating insurance options and understanding policy terms,
36 including instructions on as to how the consumer may ask questions and seek clarification
37 from the insurer about the terms and conditions of a stated value policy.

38 B.(1) The commissioner shall establish a dedicated section on the department's
39 website for consumers to access the informational materials described in this Section. ~~and~~
40 ~~shall distribute the informational materials to homeowners at least once every two years~~
41 ~~through either direct mail, email, or other means deemed appropriate by the commissioner.~~

42 * * *

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

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.