

HOUSE COMMITTEE AMENDMENTS

2026 Regular Session

Amendments proposed by House Committee on Insurance to Original House Bill No. 825
by Representative Braud

AMENDMENT 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(A) and (C), 1346.4, and 1346.5 (A)(1) and (4) and (B)(1), 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) is" and insert "R.S. 22:1346.1(introductory paragraph) and (2), 1346.2, 1346.3(A) and (C), 1346.4, and 1346.5 (A)(1) and (4) and (B)(1) are"

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.

* * *

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

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

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

* * *

§1346.4. Minimum policy value

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

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

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

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

* * *

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

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

* * *

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