

2026 Regular Session

HOUSE BILL NO. 825

BY REPRESENTATIVE BRAUD

INSURANCE: Provides relative to the Stated Value Homeowner's Policy Act

1 AN ACT

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

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 22:1346.1(introductory paragraph) and (2), 1346.2, 1346.3(A) and
10 (C), 1346.4, and 1346.5 (A)(1) and (4) and (B)(1) are hereby amended and reenacted to read
11 as follows:

12 §1346.1. Definitions

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

15 * * *

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

1 A LOSS FOR WHICH THE COST TO REPAIR YOUR HOME EXCEEDS THE
2 ~~UNPAID BALANCE ON YOUR MORTGAGE LOAN~~ COVERAGE PROVIDED
3 BY THE POLICY, YOU WILL INCUR SIGNIFICANT FINANCIAL LOSSES,
4 INCLUDING THE POTENTIAL LOSS OF SOME OR ALL OF YOUR HOME'S
5 EQUITY."

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

9 * * *

10 §1346.4. Minimum policy value

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

15 §1346.5. Dissemination of information on risks associated with stated value
16 policies; commissioner

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

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

25 * * *

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

Proposed law adds that proposed law 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.

Present law requires the commissioner of insurance to distribute informational materials to homeowners.

Proposed law repeals the requirement to distribute informational materials to homeowners.

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

(Amends R.S. 22:1346.1(intro. para.) and (2), 1346.2, 1346.3(A) and (C), 1346.4, and 1346.5 (A)(1) and (4) and (B)(1))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Make technical changes.
2. Redefine the term "stated value homeowner's policy".
3. Remove provision of present law relative to insurer disclosure of stated value policy offerings to consumers.
4. Amend present law for clarity relative to replacement cost policies and liens.