

First Extraordinary Session, 2005

HOUSE BILL NO. 80

BY REPRESENTATIVE LABRUZZO

INSURANCE/HOMEOWNERS: Provides for payment of fair market rental value of the insured premises under the loss of use coverage when there is no available, comparable rental dwelling

1 AN ACT

2 To enact R.S. 22:1471.1, relative to homeowner insurance policies; to provide for loss of  
3 use; to provide for comparable dwelling; to provide for fair market rental value; to  
4 provide for applicability; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 22:1471.1 is hereby enacted to read as follows:

7 §1471.1 Homeowner's insurance; loss of use

8 A. Under a homeowner's insurance policy that provides for coverage of the  
9 loss of use of the insured premises, the expenses covered for such loss of use shall  
10 include the cost of rental of a dwelling that is comparable to the insured's premises  
11 so that the insured may maintain their household at its normal standard of living. If  
12 such comparable dwelling is not available within a twenty-mile radius of the  
13 insured's premises, the insurer shall pay to the insured the fair market rental value of  
14 the insured's premises for the period of the loss of use as provided in the policy. The  
15 "fair market rental value" as used in this Section shall mean the rental value of the  
16 insured's premises prior to the event that caused the loss of use.

17 B. The provisions of this Section shall apply to those homeowners' policies  
18 in effect on August 28, 2005, and thereafter.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

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LaBruzzo

HB No. 80

**Abstract:** Provides for the payment of fair market rental value under a homeowner's policy when the insured has lost the use of the home.

Proposed law requires that under a homeowner's policy covering loss of use of the home, the coverage includes the cost of rental of a comparable dwelling to maintain the insured's normal standard of living.

Proposed law requires that if a comparable dwelling is not available within 20 miles of the insured premises, the insurer must pay the fair market rental value of the insured premises at its value prior to the loss of use.

Proposed law applies to policies in effect on August 28, 2005, and thereafter.

(Adds R.S. 22:1471.1)