

First Extraordinary Session, 2005

SENATE BILL NO. 25

BY SENATOR ADLEY

INSURERS. Provides for application of special property insurance deductibles under certain circumstances. (gov sig)

1 AN ACT  
2 To enact R.S. 22:667.1, relative to insurers offering property insurance; to prohibit  
3 application of specific deductibles on damage claims except under certain  
4 circumstances; to provide for retroactive application; and to provide for related  
5 matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:667.1 is hereby enacted to read as follows:

8 **§667.1. Special damage deductible; conditional implementation in disaster**  
9 **areas**

10 **A. Every insurer who delivers, or issues for delivery, in this state a**  
11 **policy of insurance which covers damage to property and which policy includes**  
12 **a special deductible for damage caused by flooding or wind attributed to a**  
13 **disaster, as defined in R.S. 29:723, or for damage caused by flooding or wind**  
14 **which occurs within a specified time after a hurricane or tropical storm makes**  
15 **landfall, then such deductible shall not apply under the terms of the policy**  
16 **unless the property on which the claim is filed is located in an area designated**  
17 **by the president of the United States as a disaster area pursuant to Chapter 68**

1           of Title 42 of the United States Code and the insured is eligible for financial  
2           assistance, under the individuals and households program of the Federal  
3           Emergency Management Agency, in repairing the damaged property.

4           B. The provisions of this Section shall apply retroactively to August 1,  
5           2005.

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

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The original instrument and the following digest, which constitutes no part  
of the legislative instrument, were prepared by Thomas L. Tyler.

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#### DIGEST

Proposed law provides that every insurer who delivers or issues for delivery in this state an insurance policy covering property damage and which policy includes a special deductible for damage caused by flooding or wind attributed to a disaster, as defined in R.S. 29:723, or for flood or wind damage which occurs within a specified time after a hurricane or tropical storm makes landfall, then such deductible does not apply unless the property on which the claim is filed is located in an area designated by the president of the United States as a disaster area pursuant to Chapter 68 of Title 42 USC and the insured is eligible for financial assistance, under the individuals and households program of the Federal Emergency Management Agency, in repairing the damaged property.

Proposed law applies retroactively to August 1, 2005.

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

(Adds R.S. 22:667.1)