

First Extraordinary Session, 2005

SENATE BILL NO. 26

BY SENATOR ADLEY

INSURERS. Provides for the application of certain provisions by insurers providing coverage for flood or wind damage to property. (gov sig)

1 AN ACT

2 To enact R.S. 22:667.1, relative to insurers providing coverage for flood or wind damage;
3 to prohibit application of certain special deductibles on claims for damages under
4 certain circumstances; to provide for application of the prohibition; and to provide
5 for related 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. Notwithstanding any other provision of law to the contrary, in any**
11 **case in which a policy of insurance includes a special deductible for flood or**
12 **wind damage to property caused by a disaster, as defined in R.S. 29:723, or for**
13 **flood or wind damage which occurs within a specified time after a hurricane or**
14 **tropical storm makes landfall, then such deductible shall not apply under the**
15 **terms of the policy unless the property on which the claim is filed is located in**
16 **an area designated by the president of the United States as a disaster area**
17 **pursuant to Chapter 68 of Title 42 of the United States Code and the insured is**

1 eligible for financial assistance, under the individuals and households program
2 of the Federal Emergency Management Agency, in repairing the damaged
3 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.

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

DIGEST

Proposed law prohibits use of a specific insurance policy deductible for flood or wind damages caused by a disaster, as defined under the La. Homeland Security and Emergency Assistance and Disaster Act, or which damage occurs within a specified time after a hurricane or tropical storm makes landfall unless the damaged property is located in an area designated by the president of the United States as a disaster area pursuant to 42 USC, Chapter 68 and the insured is eligible for financial assistance in repairing the property under FEMA's individuals and households program.

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)