
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Carla S. Roberts.

DIGEST

Present law requires insurance companies who write standard homeowner's insurance policies, which are referred to as "standard fire insurance" policies, to use certain forms and include certain provisions in the written policies.

Proposed law requires insurance carriers who sell standard fire insurance policies to disclose if the insured of a home or business has coverage for flooding or mold and whether there is an increased deductible for hurricane damage. The disclosure shall be made on the cover of the policy or as an insert in the front of the policy.

Proposed law requires insurance companies who write standard fire insurance policies to also offer their insured flood insurance coverage in the policy or as a supplement to the policy in not less than the limits of coverage provided by the fire insurance policy. The language must be approved by the commissioner of insurance.

Proposed law provides that the insurer may reject flood insurance coverage or select a lower coverage amount.

Proposed law provides that such coverage need not be provided therewith or supplemental to a renewal, reinstatement, or substitute policy when the named insured has rejected the flood insurance coverage or selected lower limits in connection with a fire insurance policy previously issued to him by the same insurer or any of its affiliates.

Proposed law provides that the form for rejecting the flood insurance or selection of lower limits shall be made in writing only on a form prescribed by the commissioner of insurance. The prescribed form shall be provided by the insurer and signed by the named insured or his legal representative.

Proposed law provides that if the form is signed by the named insured or his legal representative which initially rejects such flood insurance coverage or selects lower limits, it creates a rebuttable presumption that the insured knowingly rejected flood insurance coverage or selected a lower limit.

Proposed law requires that the form signed by the insured or his legal representative which initially rejects flood insurance coverage or selects lower limits remains valid for the life of the policy and does not require the completion of a new selection form when a renewal, reinstatement, substitute, or amended policy is issued to the same named insured by the same insurer or any of its affiliates.

Proposed law provides that an insured may change the original flood insurance selection or

rejection which accompanies the fire insurance policy at any time during the life of the policy by submitting a new flood insurance selection form to the insurer on the form prescribed by the commissioner of insurance. Any changes to an existing policy, regardless of whether these changes create new coverage, except changes in the limits of liability, do not create a new policy and do not require the completion of new flood insurance selection forms.

Proposed law provides that any insurer delivering or issuing a flood insurance policy referred to herein shall also permit the insured, upon his written request, to increase the coverage applicable to flood insurance provided for herein to any available limit up to the coverage limits afforded under the fire insurance policy.

Proposed law provides that the issuer of the fire insurance policy need not provide flood insurance coverage themselves but may offer flood insurance from the National Flood Insurance Program or from another insurance carrier who sells flood insurance in the state of Louisiana.

(Adds R.S. 22:696)