

First Extraordinary Session, 2005

HOUSE BILL NO. 112

BY REPRESENTATIVE K. CARTER

INSURANCE/PROPERTY: Requires homeowners' and flood insurers and agents to notify insured of coverage limits and of duty to mitigate damages under the policies

1 AN ACT

2 To enact R.S. 22:1471.1, relative to property insurance; to require a statement of  
3 explanation; to provide for coverage; to provide for mitigation; and to provide for  
4 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. Explanation of coverage

8 A. Insurers and agents who deliver homeowners' policies and flood insurance  
9 policies in this state shall provide to the insured, prior to the delivery of the policy  
10 and every three years thereafter, a written statement explaining various items of  
11 coverage under the policy. The statement shall explain the difference in coverage  
12 between the homeowners' and the flood insurance policies. The statement shall show  
13 if the value of the dwelling exceeds the limits of the flood insurance and give notice  
14 of the availability of excess flood insurance. In addition, the statement shall explain  
15 the duty of the insured to mitigate the damages caused by a covered event. The  
16 receipt of the initial statement shall be acknowledged in writing by the insured. The  
17 insurer shall provide a copy of the signed, acknowledged statement at no cost to the  
18 insured.

19 B. The statement shall be in a form approved by the commissioner of  
20 insurance.

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

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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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K. Carter

HB No. 112

**Abstract:** Requires insurers and agents who offer homeowners' and flood insurance to provide the insured with a written explanation of the coverage and the differences in coverage.

Proposed law requires insurers and agents who offer homeowners' and flood insurance to provide the insured with a written statement that explains the various items of coverage. The statement is to be provided every three years thereafter.

Proposed law requires insurers to explain the differences between the coverage of homeowners' and flood insurance. Requires a showing if the value of the house exceeds the limits of the flood insurance and notice of the availability of excess flood insurance.

Proposed law requires the insurer to explain the duty of the insured to mitigate damages caused by a covered event.

Proposed law requires the receipt of the initial statement be acknowledged in writing by the insured and that a free copy is provided to the insured.

Proposed law requires the statement to be in a form approved by the commissioner of insurance.

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

(Adds R.S. 22:1471.1)