

First Extraordinary Session, 2005

SENATE BILL NO. 55

BY SENATOR ADLEY

INSURERS. Requires insurers to itemize coverages included in payments to the insured.
(gov sig)

1 AN ACT
2 To enact R.S. 22:667.1, relative to requiring property insurers to itemize coverages included
3 in payments made to the insured; and to provide for related matters.
4 Be it enacted by the Legislature of Louisiana:
5 Section 1. R.S. 22:667.1 is hereby enacted to read as follows:
6 **§667.1. Delivery of fire insurance contract; disclosure of coverage;**
7 **requirement to report**
8 **A. No fire insurance policy shall be delivered or issued for delivery in**
9 **this state with respect to any residential property unless the insurer advises the**
10 **insured in writing, prominently displayed on a form promulgated by the**
11 **commissioner of insurance as an insert in the front of the policy, as to which**
12 **coverages are included in the policy for which the insured has paid premiums.**
13 **The insurer shall disclose whether or not the insured has coverage for flooding**
14 **or mold and whether an increased deductible is required for hurricane damage.**
15 **The typed print of the disclosure shall be in bold and not less than a 14 point**
16 **font.**
17 Section 2. This Act shall become effective upon signature by the governor or, if not

1 signed by the governor, upon expiration of the time for bills to become law without signature
2 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
3 vetoed by the governor and subsequently approved by the legislature, this Act shall become
4 effective on the day following such approval.

The original instrument was prepared by Thomas L. Tyler. The following digest, which does not constitute a part of the legislative instrument, was prepared by Carla S. Roberts.

DIGEST

Adley (SB 55)

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 that every residential property insurer who delivers, or issues for delivery, in any part of this state to advise the insured in writing what coverages are included in the policy.

Proposed law requires that the disclosure be made on a form promulgated by the commissioner of insurance and included as an insert in the front of the policy and printed in bold type in not less than a 14 point font.

Proposed law requires the disclosure to include language as to:

- (a) whether or not the insured has coverage for flooding.
- (b) whether or not the insured has coverage for mold.
- (c) whether or not an increased deductible is required for hurricane damage.

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

(Adds R.S. 22:667.1)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original bill.

1. Deletes the requirement that every insurer who sells insurance policies in La. sell polices throughout the entire state.
2. Deletes the requirement that hurricane deductibles not apply unless the property is located in an area that is declared a disasters by either the president or the governor.
3. Requires the disclosure of coverages available in the policy and specifies how they are to be disclosed.