

First Extraordinary Session, 2005

SENATE BILL NO. 48

BY SENATOR MURRAY

INSURANCE POLICIES. Requires certain insurers to itemize coverages included in payments made to the insured. (gov sig)

1 AN ACT
2 To enact R.S. 22:696, relative to insurance coverage for property damage due to flooding;
3 to require that itemized coverage limits be disclosed to the insured; and to provide
4 for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 22:696 is hereby enacted to read as follows:

7 **§696. Delivery of fire insurance contract providing coverage for damage to**
8 **property; disclosure of coverage; coverage for damages due to**
9 **flood**

10 **In addition to any other requirement contained in law, the following**
11 **provisions shall govern the issuance of fire insurance policies issued or delivered**
12 **in this state which provide coverage for damage to property in this state:**

13 **(1) No fire insurance policy which provides coverage for damage to**
14 **property shall be delivered or issued for delivery in this state with respect to any**
15 **residence or commercial property unless the insurer advises the insured in**
16 **writing, prominently displayed on a form promulgated by the commissioner of**
17 **insurance, as an insert in the front of the policy as to which coverages are**

1 **included in the policy for which the insured has paid premiums. The insurer**
 2 **shall disclose whether or not the insured has coverage for flooding or mold and**
 3 **whether an increased deductible is required for hurricane damage. The typed**
 4 **print of the disclosure shall be in bold and not less than a 14 point font. The**
 5 **disclosure shall also state that flood insurance is available through the National**
 6 **Flood Insurance Program and that excess flood insurance may be available by**
 7 **a separate policy.**

8 Section 2. This Act shall become effective upon signature by the governor or, if not
 9 signed by the governor, upon expiration of the time for bills to become law without signature
 10 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 11 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 12 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 Carla S. Roberts.

DIGEST

Murray (SB 48)

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. 22:696)

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 disaster 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.

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill.

1. Adds emergency effective date.