
DIGEST

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Brossett

HB No. 549

Abstract: Sets the maximum deductible that an insurer may charge a policyholder at two percent of the value of the property being insured for claims made under a homeowner's policy for losses incurred in a hurricane with wind speeds of 125 miles or greater per hour, and requires insurers to provide policyholders disclosure notices approved by the commissioner of insurance regarding the applicability of the deductible.

Present law provides that insurers may charge a total deductible of up to 4% of the value of the property being insured for named storms or hurricanes on a homeowner's policy of insurance in effect for three years or longer under certain circumstances.

Proposed law provides instead that the maximum deductible that insurers may charge is 2% of the value of the property being insured for named storms or hurricanes on a homeowner's policy of insurance regardless of how long the policy has been in effect, under certain circumstances.

Present law provides that an insurer may charge a separate deductible for losses incurred in a named storm or hurricane.

Proposed law provides that an insurer may charge a separate deductible for losses incurred in a named storm or hurricane which causes wind speeds of 125 miles or greater per hour to occur within the state.

Proposed law requires that an insurer provide to each policyholder a notice approved by the commissioner of insurance that explains to the policyholder the circumstances under which the separate deductible applies.

(Amends R.S. 22:1333(D); Adds R.S. 22:1337(D))