

Regular Session, 2014

HOUSE BILL NO. 909

BY REPRESENTATIVE LEOPOLD

INSURANCE: Provides for the Property Insurance Clarity Act

1 AN ACT

2 To amend and reenact R.S. 44:4.1(B)(11) and to enact R.S. 22:1488, relative to disclosures
3 by homeowner's insurers; to require insurers authorized to issue homeowner's
4 policies in Louisiana to provide policy and premium information; to provide for the
5 commissioner of insurance publishing aggregate information on homeowner's
6 policies in force and the direct incurred losses of insurers; to provide for the
7 commissioner of insurance publishing a description of the actuarial model used for
8 homeowner's properties risk and other related data; to provide penalties for
9 noncompliance by insurers; to provide for an exemption from the Public Records
10 Law; and to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 22:1488 is hereby enacted to read as follows:

13 §1488. Homeowner's insurance clarity; publication of aggregate data; penalties

14 A.(1)(a) Each insurance company authorized to write homeowner's insurance
15 in this state shall annually submit to the commissioner, commencing on or before
16 May 1, 2015, for homeowner's insurance policies, the total amount of direct paid
17 losses reported by peril less all deductibles, the number of policies written, and the

1 direct written premiums for the prior calendar year. The insurance company shall
2 report the computations to the commissioner by zip code and parish. The
3 information received by the commissioner shall be aggregated across all insurance
4 companies collectively, and the aggregated totals shall be arranged by zip code and
5 parish.

6 (b) "Homeowner's insurance" as used in this Section shall also include
7 condominium insurance, residential fire insurance, renter's and tenant's insurance,
8 and mobile home and manufactured housing insurance.

9 (c) Creditor-placed homeowner's insurance, condominium association
10 insurance, and commercial insurance are excluded from the requirements of this
11 Section.

12 (2) The commissioner shall compile and publish on the Department of
13 Insurance website by June first annually the aggregated total of the data provided in
14 Paragraph (1) of this Subsection by zip code and parish for the prior calendar year.

15 (3) Each insurance company authorized to write homeowner's insurance in
16 this state shall annually submit to the commissioner, commencing on or before May
17 1, 2015, computations of the direct paid losses by peril, the number of policies
18 written, and direct written premiums, by zip code and parish, by calendar year for the
19 prior calendar year, for each of the following perils:

20 (a) Fire.

21 (b) Wind and hail.

22 (c) Catastrophe wind and hail per data call by the commissioner.

23 (d) Flood.

24 (e) All other perils.

25 (4) The commissioner shall post a link to the data on the Department of
26 Insurance website in a prominent position on the website's home page.

27 B. The commissioner shall post on the Department of Insurance website a
28 general description of the ratemaking methodology that the commissioner permits
29 insurance companies to use in establishing their homeowner's insurance rates.

1 C.(1) Commencing on or before May 1, 2015, each insurance company
2 authorized to write homeowner's insurance in this state shall provide the information
3 required pursuant to Subsection A of this Section, commencing with the 2004
4 calendar year. Voluntary submissions of the information required by Subsection A
5 of this Section for calendar years prior to 2004 may be submitted and shall be
6 compiled and posted by the commissioner in the same manner.

7 (2) The commissioner shall compile the aggregated totals for each calendar
8 year submitted and publish the aggregated totals on the Department of Insurance
9 website pursuant to Paragraph (A)(2) of this Section.

10 D.(1) Upon written request of an insurance company, the commissioner may
11 modify or extend for an additional time period, for good cause shown, the reporting
12 requirements of this Section. Any modifications or extensions granted by the
13 commissioner shall be noted on the Department of Insurance website, along with a
14 projected date of compliance. Good cause may include but is not limited to either
15 of the following:

16 (a) The insurance company's limited percentage of the total homeowner's
17 insurance market in this state.

18 (b) The undue burden of compiling and reporting computation, data, and
19 other information required by this Section due to the manner, format, or method in
20 which the insurance company has stored the computations, data, or other information
21 required.

22 (2) Any insurance company that fails to timely comply with the reporting
23 requirements of this Section shall be given notice by the commissioner of the failure
24 and provided thirty days to comply. Any insurance company that fails to comply on
25 or before the thirtieth day, unless modified or extended by the commissioner, shall
26 be fined ten thousand dollars per month by the commissioner until the date of
27 compliance. Any funds collected pursuant to this Paragraph shall be deposited into
28 the state general fund. These fines shall not be waived or reduced except by an act
29 of the legislature.

1 (3) The commissioner shall waive or modify the reporting requirements of
2 this Section if an insurance company meets any of the following criteria:

3 (a) Does not store the computations, data, or other information required.

4 (b) Is required to materially upgrade, modify, revise, or reprogram
5 computer systems to provide the computations, data, or other information required.

6 (c) Is required to significantly divert limited resources to provide the
7 computations, data, or other information required.

8 E. Any information reported to the commissioner by an insurer as required
9 by this Section shall be treated as confidential. Use of the information is limited
10 solely to the purposes authorized in this Section, and the information submitted by
11 each insurer pursuant to this Section shall be exempt from the Public Records Law,
12 R.S. 44:1 et seq.

13 F. Each report submitted by an insurance company pursuant to this Section
14 shall include a notarized affidavit executed by an executive of that company attesting
15 to the validity of the data reported.

16 G. The commissioner may issue such rules and regulations as may be
17 necessary or proper to carry out the provisions of this Section. Such rules and
18 regulations shall be promulgated and adopted in accordance with the Administrative
19 Procedure Act, R.S. 49:950 et seq.

20 Section 2. R.S. 44:4.1(B)(11) is hereby amended and reenacted to read as follows:

21 §4.1. Exceptions

22 * * *

23 B. The legislature further recognizes that there exist exceptions, exemptions,
24 and limitations to the laws pertaining to public records throughout the revised
25 statutes and codes of this state. Therefore, the following exceptions, exemptions, and
26 limitations are hereby continued in effect by incorporation into this Chapter by
27 citation:

28 * * *

1 (11) R.S. 22.2, 14, 31(B), 42.1, 88, 244, 461, 572, 572.1, 574, 618, 732, 752,
 2 753, 771, 1019.2(B)(5)(a), 1203, 1460, 1466, 1488, 1546, 1644, 1656, 1723, 1927,
 3 1929, 1983, 1984, 2036, 2303

4 * * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Leopold

HB No. 909

Abstract: Requires homeowner's insurers to provide data on direct incurred losses, number of policies in force, and direct earned premiums to the commissioner of insurance to aggregate and publish on the Dept. of Insurance website.

Proposed law requires that insurance companies writing homeowner's policies annually submit to the commissioner data on their total direct incurred losses, number of policies in force, and direct earned premiums by zip code and parish for the prior calendar year, commencing on or before May 1, 2015. Further requires that the same data be submitted dating back to the calendar year 2004.

Proposed law requires the commissioner, by June first annually, to aggregate the data and publish aggregated yearly totals by zip code and parish on the Dept. of Insurance website.

Proposed law also requires the commissioner to publish on the department's website a general description of the ratemaking methodology insurance companies are allowed to use in establishing homeowner's insurance rates.

Proposed law provides that the commissioner may issue exemptions from the reporting requirements to companies that do not store the requested information, or if meeting the requirements would impose an undue burden.

Proposed law provides a penalty of \$10,000 per month for any company that fails to timely comply with the reporting requirements, and further provides that the reports submitted must be notarized and executed by an executive of the company attesting to the validity of the data reported.

Proposed law provides that the commissioner may issue rules and regulations to implement proposed law.

Proposed law provides that the data provided by each insurer is confidential and exempt from the Public Records Law.

(Amends R.S. 44:4.1(B)(11); Adds R.S. 22:1488)

Summary of Amendments Adopted by House

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

1. Made technical changes.

Committee Amendments Proposed by House Committee on House and Governmental Affairs to the engrossed bill.

1. Changes the initial deadline for insurance companies to submit the information to the commissioner from Feb. 1, 2015, to May 1, 2015.
2. Changes the deadline for the commissioner to annually compile and publish the aggregated data on the Dept.'s website from March first to June first.
3. Makes technical changes.