

2015 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 208

BY REPRESENTATIVE STOKES

A CONCURRENT RESOLUTION

To urge and request the commissioner of insurance to issue regulations requiring insurers to disclose to insureds that homeowner's claims not exceeding the policy deductible may be used by the insurer in determining rates or whether to renew a homeowner's policy.

WHEREAS, R.S. 22:1265 provides that an insurer may cancel or fail to renew a homeowner's policy of insurance or to increase the policy deductible when the insured has made two or more claims within a continuous three-year period of time within the five years preceding the current policy renewal date; and

WHEREAS, R.S. 22:1265 provides that an incident shall be deemed a claim when there is a demand for payment by the insured or the insured's representative under the terms of the homeowner's policy of insurance, but does not define what constitutes a demand for payment; and

WHEREAS, R.S. 22:1265 does not explicitly state that an insurer shall actually pay money to the insured or on behalf of the insured before using the claim as one of the two claims within the continuous three-year period of time as grounds for canceling or failing to renew a homeowner's policy of insurance or to increase the policy deductible; and

WHEREAS, a study conducted by the Louisiana Department of Insurance pursuant to House Concurrent Resolution No. 199 of the 2014 Regular Session found that some insurers make use of claims closed below the deductible in making decisions upon renewal or cancellation of a policy, or to trigger an increase in the premium, but that others do not make use of such claims; and

WHEREAS, a homeowner should be informed that any claim made that does not exceed his deductible may be used by his insurer to determine rates or in deciding whether to renew his homeowner's policy.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby urge and request the commissioner of insurance to issue regulations requiring insurers to disclose to insureds that homeowner's claims not exceeding the policy deductible may be used by the insurer in determining rates or whether to renew a homeowner's policy.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the commissioner of insurance.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE