

RÉSUMÉ DIGEST

ACT 202 (SB 185)

2016 Regular Session

Morrish

Prior law defined a premium finance agreement as an agreement by which an insured or prospective insured promises to pay to an insurance premium finance company the amount advanced or to be advanced under the agreement in payment of premiums on an insurance contract.

New law retains prior law and allows a premium finance agreement to include a loan agreement with the policyholder for wind mitigation retrofits to the insured property. Further requires the homeowners' insurance policy to be issued to a homeowner who has financed the cost of wind mitigation retrofits with a consumer finance company for the purpose of obtaining wind mitigation and other credits on his homeowners' insurance policy.

New law provides that if the qualifying homeowners' insurance policy is cancelled, expired, or is not renewed, the wind mitigation loan agreement shall continue to be administered pursuant to its terms until paid in full. Further provides that any cancellation, expiration, or nonrenewal of the insurance policy shall not accelerate the due date of the wind mitigation loan.

Effective August 1, 2016.

(Amends R.S. 9:3550(B))