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 DIGEST

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SB 70 Engrossed

2021 Regular Session

Abraham

Proposed law provides definitions for "hurricane", "named storm", and "separate deductible" relative to Proposed law.

Proposed law provides that for all authorized property insurance policies and authorized commercial multi-peril insurance policies issued or renewed by an authorized insurer on or after August 1, 2021, any separate deductible that applies in place of any other deductible to direct physical loss or damage resulting from a named storm or hurricane shall be applied on an annual basis to all named storm or hurricane losses that are subject to the separate deductible during the calendar year.

Proposed law permits an insurer to apply a deductible to the succeeding named storms or hurricanes that is equal to the remaining amount of the separate deductible, or the amount of the deductible that applies to all perils other than a named storm or hurricane, whichever is greater, if an insured suffers direct physical loss or damage resulting from a named storm or hurricane losses from more than one named storm or hurricane during a calendar year that are subject to the separate deductible referred to in proposed law.

Proposed law provides that an insured is subject to a new named storm or hurricane deductible under the new or renewed insurance policy, if the insured pays a named storm or hurricane deductible for a covered loss as provided in proposed law but changes insurance companies during the calendar year for the previously claimed property or renews a policy that includes a different deductible.

Effective August 1, 2021.

(Adds R.S. 22:1267.1)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original bill

1. Makes technical changes.

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the engrossed bill:

1. Make technical changes.
2. Change the definition of "separate deductible" to a deductible that applies to direct physical loss or damage resulting from a specified weather event.
3. Specify that there must be direct physical loss or damage resulting from a named storm or hurricane for a separate deductible to apply in place of any other deductible.
4. Specify that an insured must suffer direct physical loss or damage resulting from more than one named storm or hurricane loss during a calendar year for a deductible to apply to any succeeding named storm or hurricane loss.

5. Provide for situations in which an insured pays a named storm or hurricane deductible for a covered loss and changes insurance companies or renews a policy that includes a different deductible amount.