

2021 Regular Session

HOUSE BILL NO. 458

BY REPRESENTATIVE FIRMENT

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

INSURANCE/HOMEOWNERS: Provides for additional living expenses and fair rental value coverages under residential insurance policies

1 AN ACT

2 To enact R.S. 22:1897, relative to residential property insurance; to provide for additional
3 living expenses and fair rental value coverages; to provide for effectiveness; and to
4 provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 22:1897 is hereby enacted to read as follows:

7 §1897. Residential property insurance; additional living expenses coverage; fair
8 rental value coverage

9 A. If a residential property insurance policy includes coverage for additional
10 living expenses or fair rental value, the insured dwelling sustains a covered loss, and
11 the insured location experiences a stoppage of water, electricity, sewer, or natural gas
12 services, for a period of at least twenty-four hours, the insured location shall be
13 deemed uninhabitable, not fit to live in, or not fit for its normal use until such time
14 as water, electricity, sewer, and natural gas services are restored.

15 B. This Section shall apply to any insurer that is engaged in the business of
16 residential property insurance in this state.

1 C. This Section shall apply only if a state of emergency has been declared
 2 by the governor, pursuant to R.S. 29:724, and shall apply only to those geographic
 3 areas specified in the governor's emergency declaration.

4 Section 2. (A) This Act shall become effective on July 1, 2021.

5 (B) The provisions of Section 1 of this Act apply to any new policy, contract,
 6 program, or residential property insurance policy issued on and after July 1, 2021.

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)]

HB 458 Reengrossed

2021 Regular Session

Firment

Abstract: Provides for additional living expenses and fair rental value coverages under residential insurance policies.

Proposed law provides that if a residential property insurance policy includes coverage for additional living expenses or fair rental value, the insured dwelling sustains a covered loss, and the insured location experiences a stoppage of water, electricity, sewer, or natural gas services, for a period of at least 24 hours then the insured location shall be deemed uninhabitable, not fit to live in, or not fit for its normal use, until the water, electricity, sewer, and natural gas services are restored.

Proposed law provides that proposed law applies only if a state of emergency has been declared by the governor and shall only apply to geographic areas specified in the emergency declaration.

Proposed law provides that proposed law shall apply only to any insurer engaged in the business of residential property insurance in this state.

Effective July 1, 2021.

(Adds R.S. 22:1897)

Summary of Amendments Adopted by House

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

1. Make water, electricity, sewer, and natural gas services a finite list, rather than an illustrative list, regarding utilities that when stopped for 24 hours constitute an uninhabitable location and require all of these utilities to be restored to again become considered inhabitable.
2. Apply proposed law to any insurer engaged in the business of residential property insurance, rather than every insurer authorized to engage in such business.
3. Make proposed law only applicable when the governor has declared a state of emergency and only applies proposed law to the area specified in the declaration.

4. Make technical changes.

The House Floor Amendments to the engrossed bill:

1. Add "the insured dwelling sustains a covered loss" to the requirements for a residential property to be deemed uninhabitable, not fit to live in, or not fit for its normal use, for the purposes of proposed law.