SLS 22RS-2274 ORIGINAL

2022 Regular Session

SENATE RESOLUTION NO. 99

BY SENATOR TALBOT

INSURANCE COMMISSIONER. Urges the Commissioner of Insurance to study the issue of notice of cancellation or nonrenewal of a property insurance policy that provides coverage for property damaged by a named storm or windstorm.

1 A RESOLUTION

To urge and request the Commissioner of Insurance to study the issue of notice of cancellation or nonrenewal of a property insurance policy that provides coverage for

property damaged by a named storm or windstorm.

WHEREAS, losses that arose due to a catastrophic event for which a state of disaster or emergency was declared by civil officials for those areas within the declaration, any policyholder with replacement cost provisions shall be entitled to complete repairs to their property within one year from the date of loss or the issuance of applicable insurance proceeds, whichever is later, and adherence to this provision shall entitle the policyholder with a replacement cost provision to receive full value of the covered damage that has been repaired, without reduction due to depreciation according to R.S. 22:1264; and

WHEREAS, no insurer providing property, casualty, or liability insurance shall cancel or fail to renew a homeowner's insurance policy that has been in effect and renewed for more than three years unless based on nonpayment of premium, fraud of the insured, a material change in the risk being insured two or more claims within a continuous three-year period of time within the five years preceding the current policy renewal date, or if continuation of such policy endangers the solvency of the insurer according to R.S. 22:1265; and

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WHEREAS, policyholders in Louisiana have filed over seven hundred thousand 1 2 insurance claims for property damages caused by hurricanes Laura, Delta, Zeta, and Ida; and 3 WHEREAS, a policyholder is faced with a serious challenge of completing property 4 repairs within the one year timeframe due to the extent of the devastation and the limited availability of contractors, equipment, and labor; and 5 6 WHEREAS, a policyholder that does not complete repairs as required by law may 7 be subject to his property insurance coverage being canceled or nonrenewed pursuant to R.S. 8 22:1267; and 9 WHEREAS, policyholders who have tried but struggled to comply with the 10 requirements of R.S. 22:1265 are now receiving notices that their property insurance 11 coverage is being canceled or nonrenewed. THEREFORE, BE IT RESOLVED that the Senate of the Legislature of Louisiana 12 13 does hereby urge and request the Commissioner of Insurance to study the issue of notice of 14 cancellation or nonrenewal of a property insurance policy that provides coverage for 15 property damaged by a named storm or windstorm and to report his findings and recommendations to the Senate and House Committees on insurance not later than 16 17 February 1, 2023. 18 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the 19 Commissioner of Insurance.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Beth O'Quin.

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SR 99 Original

Talbot

Requests the Commissioner of Insurance to study the issue of notice of cancellation or nonrenewal of a property insurance policy that provides coverage for property damaged by a named storm or windstorm.