

2022 Regular Session

HOUSE BILL NO. 317

BY REPRESENTATIVE WILLARD

INSURANCE/POLICIES: Provides for hurricane, named storm, and wind and hail deductibles

1 AN ACT

2 To enact R.S. 22:1337(D), relative to homeowners' insurance policies; to provide for policy
3 deductibles as applied to named storm, hurricane, and wind and hail deductibles; to
4 require the execution of a separate form that lists the specific amount for each
5 deductible expressed as a percentage of the insured value of the property or as a
6 specific dollar amount or both; to provide for an effective date; and to provide for
7 related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 22:1337(D) is hereby enacted to read as follows:

10 §1337. Homeowners' insurance deductibles applied to named-storms, hurricanes,
11 and wind and hail deductibles

12 * * *

13 D.(1) The commissioner shall prescribe a separate form regarding named
14 storm, hurricane, and wind and hail deductibles proposed in a policy of homeowners'
15 insurance. The form shall list the specific amount for each deductible expressed as
16 a percentage of the insured value of the property, or as a specific dollar amount, or
17 as both. For new policies with an effective date after January 1, 2023, the form shall
18 be provided by the insurer and signed by the named insured or his legal
19 representative. The form signed by the insured or his legal representative shall
20 remain valid for the life of the policy. The completion of a new form shall not be

1 required if a renewal, reinstatement, substitute, or amended policy is issued to the
2 same named insured by the same insurer or any of its affiliates.

3 (2) A new form shall be provided to and signed by the insured, if the insurer
4 changes the percentage or specific dollar amount of any named storm, hurricane, or
5 wind and hail deductible listed in the policy. If the policy uses a percentage
6 deductible, a new form shall not be required if the dollar amount of the deductible
7 changes, because of an increase in policy limits; however, a new form shall be
8 required, if the percentage changes.

9 (3) A new form provided to an insured shall be for the insured's
10 informational purposes only, and it shall not affect the terms and conditions of the
11 policy.

12 (4) If a policy is purchased using electronic means or the insured elects to
13 receive policy documents electronically, the insurer shall transmit the form, provided
14 for in this Subsection, to the insured electronically and provide a method whereby
15 the insured may sign the form electronically.

16 (5) Nothing in this Subsection shall be interpreted to create a cause of action
17 not otherwise provided by law.

18 Section 2. This Act shall become effective on January 1, 2023; if vetoed by the
19 governor and subsequently approved by the legislature, this Act shall become effective on
20 January 1, 2023, or on the day following such approval by the legislature, whichever is later.

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 317 Engrossed

2022 Regular Session

Willard

Abstract: Provides for hurricane, named storm, and wind and hail deductibles.

Present law provides that for all homeowners' insurance policies or other policies insuring a one- or two-family owner occupied premises for fire and allied lines, issued or renewed by authorized insurers on or after Jan. 1, 2010, any separate deductible that applies in place of any other deductible to 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 a calendar year.

Present law permits an insurer to apply a deductible to 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 incurs named storm or hurricane losses from more than one named storm or hurricane during a calendar year that are subject to the separate deductibles referred to in present law.

Proposed law retains present law.

Proposed law requires the commissioner to prescribe a separate form regarding named storm, hurricane, and wind and hail deductibles proposed in a homeowner's insurance policy that lists the specific amount for each deductible expressed as a percentage of the insured value of the property, or as a specific dollar amount, or as both.

Proposed law provides that for new policies with an effective date after Jan. 1, 2023, the form shall be provided by the insurer and signed by the named insured or his legal representative.

Proposed law provides that the form shall remain valid for the life of the policy.

Proposed law provides that the completion of a new form shall not be required if a renewal, reinstatement, substitute, or amended policy is issued to the same named insured by the same insurer or any of its affiliates.

Proposed law provides that a new form is required if the insurer changes the percentage or specific dollar amount of a deductible.

Proposed law provides that if the policy uses a percentage deductible, the new form will not be required if the dollar amount of the deductible changes, because of an increase in policy limits; however a new form is required if the percentage changes.

Proposed law provides that the form is for informational purposes only.

Proposed law provides that if a policy is purchased using electronic means or the insured elects to receive documents electronically, the insurer shall transmit the form to the insured electronically and provide a method whereby the insured may sign the form electronically.

Proposed law provides that nothing in proposed law shall be interpreted to create a cause of action not otherwise provided by law.

Effective Jan. 1, 2023.

(Adds R.S. 22:1337(D))

Summary of Amendments Adopted by House

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

1. Specify that the deductible form shall be provided to and signed by insureds for policies with an effective date after Jan. 1, 2023.
2. Remove the provision of proposed law that provided that the deductible form shall become a part of the policy.
3. Provide that the deductible form shall be valid for the life of the policy.

4. Provide certain circumstances in which a new deductible form is required and certain circumstances in which a new deductible form is not required.
5. Provide that a new deductible form provided to an insured is for informational purposes only and shall not affect the terms of the policy.
6. Provide for certain circumstances in which the insurer is required to provide the deductible form to the insured electronically and provide a method whereby the insured can sign the form electronically.
7. Provide that proposed law shall not be interpreted to create a cause of action not otherwise provided by law.
8. Remove the provision in proposed law that required the deductible form to be signed by the insured prior to any agreement changing the amount of any deductible.