

SENATE RESOLUTION NO. 99

BY SENATOR TALBOT

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

WHEREAS, policyholders in Louisiana have filed over seven hundred thousand insurance claims for property damages caused by hurricanes Laura, Delta, Zeta, and Ida; and

WHEREAS, a policyholder is faced with a serious challenge of completing property repairs within the one year timeframe due to the extent of the devastation and the limited availability of contractors, equipment, and labor; and

WHEREAS, a policyholder that does not complete repairs as required by law may be subject to his property insurance coverage being canceled or nonrenewed pursuant to R.S. 22:1267; and

WHEREAS, policyholders who have tried but struggled to comply with the requirements of R.S. 22:1265 are now receiving notices that their property insurance coverage is being canceled or nonrenewed.

THEREFORE, BE IT RESOLVED that the Senate of the Legislature of Louisiana does hereby 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 and to report his findings and recommendations to the senate and house committees on insurance not later than February 1, 2023.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the commissioner of Insurance.

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PRESIDENT OF THE SENATE