

2023 Regular Session

SENATE BILL NO. 113

BY SENATOR HEWITT

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

INSURANCE RATES. Provides for certain insurance premium discounts. (gov sig)

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AN ACT

To amend and reenact R.S. 22:1483, relative to the State Construction Code and the Louisiana Fortified Premium Discounts; premium discounts; to provide for certain building standards; to require certain discounts; to provide an option for certain discounts; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1483 is hereby amended and reenacted to read as follows:

~~§1483. Premium discounts, credits, rate differentials, adjustments in deductibles, and other adjustments for compliance with building codes and for damage mitigation~~ **The State Uniform Construction Code and the**

Louisiana Fortified Roof Premium Discount Act

A. This Section may be cited as the "The State Uniform Construction Code and the Louisiana Fortified Roof Premium Discount Act".

~~A.B.~~ Any insurer required to submit rates and rating plans to the commissioner of insurance shall provide an actuarially justified discount, credit, rate differential, adjustment in deductible, or any other adjustment to reduce the insurance premium to insureds who build or retrofit a structure to comply with the

1 requirements of the State Uniform Construction Code or the **fortified home or**
2 **fortified commercial standards created by the** Insurance Institute for Business and
3 Home Safety.

4 ~~B.(C)(1)~~ Any insurer required to submit rates and rating plans to the
5 commissioner of insurance shall provide an actuarially justified discount, credit, rate
6 differential, adjustment in deductible, or any other adjustment to reduce the
7 insurance premium to insureds who install mitigation improvements or retrofit their
8 property utilizing construction techniques demonstrated to reduce the amount of loss
9 from a windstorm or hurricane. Such mitigation improvements or construction
10 techniques shall include but not be limited to roof deck attachments; secondary water
11 barriers; roof coverings; brace gable ends; construction techniques which enhance
12 or reinforce roof strength; roof-covering performance; roof-to-wall strength,
13 wall-to-floor-to-foundation strength; opening protection; and window, door, and
14 skylight strength.

15 (2) Any person who is receiving discounts pursuant to this Subsection may
16 opt to maintain the discounts in lieu of the discounts provided in Subsection C of this
17 Section if the property continues to meet the requirements for the discounts.

18 ~~C.D.(1)~~ After July 1, 2022, all **All** insurers required to submit rating plans to
19 the commissioner may, if actuarially justified, provide credits and discounts in
20 compliance with **shall provide an actuarially justified discount, credit, rate**
21 **differential, adjustment in deductible, or any other adjustment to reduce the**
22 **insurance premium to insureds who build or retrofit a structure to comply with**
23 **the requirements of** the fortified home and fortified commercial standards created
24 by the Insurance Institute for Business and Home Safety. ~~Any homeowner who is~~
25 ~~currently receiving discounts pursuant to this Section may opt to maintain discounts~~
26 ~~offered prior to July 1, 2022, if the homeowner continues to meet the requirements~~
27 ~~to maintain such discounts, in lieu of the discount provided in this Subsection.~~

28 (2) To obtain a credit or discount provided in this Subsection, an insurable
29 property located in this state shall be certified as constructed in accordance with the

1 fortified home or fortified commercial standards provided by the Insurance Institute
2 for Business and Home Safety.

3 (3) An insurable property shall be certified as in conformance with the
4 fortified home or fortified commercial standards only after inspection and
5 certification by an Insurance Institute for Business and Home Safety certified
6 inspector.

7 (4) An owner of insurable property claiming a credit or discount shall
8 maintain and provide certification records and construction records, including
9 certification of compliance with the Insurance Institute for Business and Home
10 Safety standards, for which the owner seeks a discount. Such documents may include
11 but are not limited to receipts for contractors, receipts for materials, and records from
12 local building officials.

13 (5) An owner of insurable property claiming a credit or discount shall
14 maintain the Insurance Institute for Business and Home Safety certification
15 documents, which shall be considered evidence of compliance with the fortified
16 home or fortified commercial standards. The certification shall be presented to the
17 insurer or potential insurer of a property owner before the adjustment becomes
18 effective for the insurable property along with any other necessary records.

19 (6) The credit or discount shall apply only to policies that provide wind
20 coverage and may apply to the portion of the premium for wind coverage or to the
21 total premium, if the insurer does not separate out the premium for wind coverage
22 in the rate filing. The adjustment shall apply exclusively to the premium designated
23 for the improved insurable property. The adjustment is not required to be in addition
24 to other mitigation adjustments provided by the insurer and shall be in lieu of those
25 other adjustments, including those in place prior to January 1, 2022, if they are
26 deemed to be duplicated.

27 (7) The records required by this Subsection shall be subject to audit by the
28 commissioner.

29 (8) Nothing in this Section shall prohibit insurers from offering additional

1 adjustments in deductible, other credit rate differentials, or a combination thereof.
 2 These adjustments shall be available under the terms specified in this Section to any
 3 owner who builds or locates a new insurable property in this state to resist loss due
 4 to hurricane, tornado, or other catastrophic windstorm events.

5 (9) For the purposes of this Subsection, insurable property includes single-
 6 family residential property, commercial property, modular homes, and manufactured
 7 homes that may be retrofitted.

8 ~~D.E.~~ The commissioner of insurance, in consultation with the State Uniform
 9 Construction Code Council, shall promulgate rules and regulations in accordance
 10 with the Administrative Procedure Act to implement the provisions of this Section.
 11 The rules and regulations may include but not be limited to the following:

12 (1) Provisions defining and delineating the criteria for discounts, credits, rate
 13 differentials, adjustments in deductibles, or any other adjustments to reduce the
 14 insurance premium and how such discounts, credits, rate differentials, adjustments
 15 in deductibles, or any other adjustments are computed in determining their
 16 application in each premium quoted.

17 (2) Those items necessary for an insurer to compute or otherwise determine
 18 the actuarially justified amount of any premium rate reduction, discount, credit, rate
 19 differential, reduction in deductible, or other adjustment available to an insured.

20 (3) Provisions establishing the inspection and certification requirements for
 21 insureds who comply with the provisions of this Section.

22 (4) Recordkeeping requirements for insurers.

23 * * *

24 Section 2. This Act shall become effective upon signature by the governor or, if not
 25 signed by the governor, upon expiration of the time for bills to become law without signature
 26 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 27 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 28 effective on the day following such approval.

