

2023 Regular Session

HOUSE BILL NO. 552

BY REPRESENTATIVE HILFERTY

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

INSURANCE: Suspends the premium surcharge of at least ten percent assessed by the Louisiana Citizens Property Insurance Corporation

1 AN ACT

2 To amend and reenact R.S. 22:2303(D)(1), relative to the Louisiana Citizens Property
3 Insurance Corporation; to provide for imposition of the minimum ten percent
4 surcharge on premiums for policies issued by the Corporation; to suspend imposition
5 of the surcharge for a designated period of time; to provide for effectiveness; and to
6 provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:2303(D)(1) is hereby amended and reenacted to read as follows:

9 §2303. Rates, rating plans, and rate rules applicable

10 * * *

11 D.(1)(a) Notwithstanding the provisions of Paragraph (A)(1) of this Section,
12 until August 15, 2010, the corporation shall charge the higher of (a) actuarially
13 justified rates or (b) the highest rates charged among assessable insurers that have
14 a minimum of two percent of the total direct written premium in each respective
15 parish for that line of business in the preceding year, or, with respect to personal
16 lines property insurance, excluding wind and hail policies, only, (c) the highest rates
17 charged among assessable insurers in each respective parish which in the preceding
18 year increased by at least twenty-five additional personal lines property insurance
19 policies, excluding wind and hail policies, in such parish, the total number of such
20 policies in effect for the parish over the year before, in any noncompetitive market

1 unless competition resumes. If the corporation is writing more than fifty percent of
 2 the residential property insurance business in a market, including wind- and hail-only
 3 coverages, the board of directors shall report that fact to the commissioner of
 4 insurance. Notwithstanding any other provision of law to the contrary, until August
 5 15, 2015, regardless of whether a competitive market may exist, the ten percent rate
 6 in excess of the higher of (a) the actuarially justified rate or (b) the highest rates
 7 charged among assessable insurers that have a minimum of two percent of the total
 8 direct written premium in each respective parish for that line of business in the
 9 preceding year, or, with respect to personal lines property insurance, excluding wind
 10 and hail policies, only, (c) the highest rates charged among assessable insurers in
 11 each respective parish which in the preceding year increased by at least twenty-five
 12 additional personal lines property insurance policies, excluding wind and hail
 13 policies, in such parish, the total number of such policies in effect for the parish over
 14 the year before, as authorized in Subsection A of this Section, shall not apply in St.
 15 Mary Parish and parishes listed in R.S. 40:1730.27(A).

16 (b) Notwithstanding any other provision of law to the contrary, the ten
 17 percent rate in excess of the higher of (a) the actuarially justified rate or (b) the
 18 highest rates charged among assessable insurers that have a minimum of two percent
 19 of the total direct written premium in each respective parish for that line of business
 20 in the preceding year, or, with respect to personal lines property insurance, excluding
 21 wind and hail policies, only, (c) the highest rates charged among assessable insurers
 22 in each respective parish which in the preceding year increased by at least
 23 twenty-five additional personal lines property insurance policies, excluding wind and
 24 hail policies, in such parish, the total number of such policies in effect for the parish
 25 over the year before, as authorized in Subsection A of this Section, shall not apply
 26 to policies issued in this state.

* * *

27
 28 Section 2. R.S. 22:2303(D)(1)(b) as enacted by Section 1 of this Act shall expire on
 29 December 31, 2024 at 11:59 p.m.

1 Section 3. It is the intent of the legislature that R.S. 22:2303(D)(1)(a) as enacted by
2 Section 1 of this Act shall continue in force and effect and shall be interpreted as though the
3 provision had not been amended by Section 1 of this Act.

4 Section 4. This Act shall become effective upon signature by the governor or, if not
5 signed by the governor, upon expiration of the time for bills to become law without signature
6 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
7 vetoed by the governor and subsequently approved by the legislature, this Act shall become
8 effective on the day following such approval.

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 552 Original

2023 Regular Session

Hilferty

Abstract: Suspends the premium increase of at least 10% assessed by the La. Citizens Property Insurance Corp. for policies issued in this state.

Present law authorizes the La. Citizens Property Insurance Corp. to charge a premium of at least 10% higher than either of the following:

- (1) The actuarially justified rate.
- (2) The highest rates charged among assessable insurers that have a minimum of 2% of the total direct written premium in each respective parish for that line of business in the preceding year or with respect to personal lines property insurance, excluding wind and hail policies.
- (3) The highest rates charged among assessable insurers in each respective parish which in the preceding year increased additional personal lines property insurance policies by at least 25 over the total number of such policies in effect for the parish in the preceding year, excluding wind and hail policies.

Proposed law retains present law but provides that the premium increase of at least 10% provided for in present law (R.S. 22:2303(A)(1)) does not apply to policies issued in this state. Further provides for expiration of proposed law on Dec. 31, 2024 at 11:59 p.m.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 22:2303(D)(1))