
DIGEST

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HB 569 Original

2023 Regular Session

Thompson

Abstract: Modifies relative to property, casualty, and liability insurance providers with respect to the cancellation and nonrenewal of policies, deductibles, and rights of such insurers withdrawn from the homeowners' insurance market.

Present law (R.S. 22:1265 and 1333) prohibits issuers providing property, casualty, and liability insurance from cancelling or nonrenewing a homeowner's policy or increasing a policy deductible that has been in effect and renewed for more than 3 years, unless the insurer's cancellation or nonrenewal is based on several factors, including but not limited to an insured's nonpayment of premiums, fraud of the insured, or multiple claims of the insured within a certain period of time.

Proposed law retains present law but makes technical changes to the statutory placement of present law.

Proposed law adds additional factors for which an insurer may cancel or nonrenew a policy, including continuation of coverage that endangers the insurer's solvency, inadequacy or insufficiency of the rate or premium for coverage when the insurer sought actuarially justified rate relief from the commissioner of insurance and the commissioner rejected such rate relief, or unrepaired damage or a deteriorated condition to the insured's property.

Present law does not apply to an insurer that withdraws from the homeowners' insurance market in this state or to policy deductibles increased for all homeowners' policies in this state.

Proposed law retains present law but adds that present law does not apply to an insurer that increases policy deductibles for all homeowners' insurance policies within a designated group of parishes identified on its plan submitted to the commissioner, nor to an insurer that nonrenews 2% or less of its total policies in this state within a designated group of parishes identified on its plan submitted to the commissioner.

Present law prohibits an authorized property and casualty insurer and an approved unauthorized property and casualty insurer that withdraws from the homeowners' insurance market from issuing homeowners' insurance policies in this state during the 5-year period that commences on the date of discontinuation of the last homeowners' insurance coverage nonrenewed. Further provides that if the insurer makes a written request to the commissioner, the commissioner may, for good cause shown, permit the insurer to reenter the homeowners' insurance market prior to the expiration of the 5-year period.

Proposed law reduces the suspension period from 5 years to 3 years and otherwise retains present law.

Present law (R.S. 22:1265(F) and 1333(D)) authorizes an insurer to file with the commissioner certain rating plans as a request to change the policy deductible to a total deductible of not more than 4% of the value of property being insured for named storms or hurricanes on a homeowner's policy that has been in effect for more than 3 years. Requires the insurer to include in its filing the details of the insurer's plan to write new business in the particular region or area of the state in which the new deductible will apply.

Present law requires the commissioner to base his approval on the insurer's commitment to the writing of new business in the respective region or area in which the new deductible will apply. Authorizes the commissioner to approve a filing that he determines is in the best interest of policyholders and further authorizes the commissioner to subsequently rescind approval of any filing if the insurer fails to write new business in accordance with the plan.

Present law provides that any business plan is considered proprietary or trade secret pursuant to present law. Requires the commissioner to provide an annual report to the legislative committees on insurance on the application and effectiveness of the provisions of present law and requires the commissioner to promulgate regulations in accordance with the APA setting forth the criteria for the filings he deems necessary to act on the insurer's request.

Present law requires the insurer to itemize to the insured the premium savings based on the increase in the insured's deductible.

Proposed law repeals present law (R.S. 22:1265(F) and 1333(D)).

Present law requires any company that makes a filing in accordance with present law (R.S. 22:1265(H) and 1333(F)) to reduce the rates paid by the individual homeowner by the amount determined to be actuarially justified by the commissioner.

Proposed law repeals present law (R.S. 22:1265(H) and 1333(F)).

Proposed law makes technical changes.

(Amends R.S. 22:1265(D), (I), and (J) and 1333(C), (G), and (H); Repeals R.S. 22:1265(F) and (H) and 1333(D) and (F))