2023 Regular Session

HOUSE BILL NO. 309

BY REPRESENTATIVE GAROFALO

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana. INSURANCE: Provides relative to fortified home and commercial standards

1	AN ACT
2	To amend and reenact R.S. 22:1483(A), (B), and (C)(1), relative to insurance discounts and
3	rate reductions for residential and commercial buildings; to require insurers to
4	provide premium credits or discounts under certain circumstances; and to provide for
5	related matters.
6	Be it enacted by the Legislature of Louisiana:
7	Section 1. R.S. 22:1483(A),(B), and (C)(1) are hereby amended and reenacted to
8	read as follows:
9	§1483. Premium discounts, credits, rate differentials, adjustments in deductibles,
10	and other adjustments for compliance with building codes and for damage
11	mitigation
12	A. Any insurer required to submit rates and rating plans to the commissioner
13	of insurance shall provide an actuarially justified discount, credit, rate differential,
14	adjustment in deductible, or any other adjustment to reduce the insurance premium
15	to insureds who build or retrofit a structure to comply with the requirements of the
16	State Uniform Construction Code or the fortified home or fortified commercial
17	standards created by the Insurance Institute for Business and Home Safety.
18	B. Any insurer required to submit rates and rating plans to the commissioner
19	of insurance shall provide an actuarially justified discount, credit, rate differential,
20	adjustment in deductible, or any other adjustment to reduce the insurance premium

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

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to insureds who install mitigation improvements or retrofit their property utilizing
construction techniques demonstrated to reduce the amount of loss from a windstorm
or hurricane. Such mitigation improvements or construction techniques shall include
but not be limited to roof deck attachments; secondary water barriers; roof coverings;
brace gable ends; construction techniques which enhance or reinforce roof strength;
roof-covering performance; roof-to-wall strength, wall-to-floor-to-foundation
strength; opening protection; and window, door, and skylight strength.

8 C.(1) After July 1, 2022, all All insurers required to submit rating plans to 9 the commissioner may, if actuarially justified, provide credits and discounts in 10 compliance with shall provide an actuarially justified discount, credit, rate 11 differential, adjustment in deductible, or any other adjustment to reduce the 12 insurance premium charged to any insured who builds or retrofits a structure to comply with the requirements of the fortified home and fortified commercial 13 14 standards created by the Insurance Institute for Business and Home Safety. Any 15 homeowner who is currently receiving discounts pursuant to this Section may opt to 16 maintain discounts offered prior to July 1, 2022, if the homeowner continues to meet 17 the requirements to maintain such discounts, in lieu of the discount provided in this 18 Subsection.

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 309 Engrossed	2023 Regular Session	Garofalo
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Abstract: Provides that all insurers that are required to submit rating plans to the commissioner of insurance must provide credits and discounts.

<u>Present law</u> provides that 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 requirements of the State Uniform Construction Code or the Insurance Institute for Business and Home Safety (IIBHS).

<u>Proposed law</u> adds that an insurer 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 requirements of the fortified home or fortified commercial standards created by IIHBS.

<u>Present law</u> provides that 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 install mitigation improvements or retrofit their property utilizing construction techniques demonstrated to reduce the amount of loss from a windstorm or hurricane.

Proposed law makes technical changes.

<u>Present law</u> provides that after July 1, 2022, all insurers required to submit rating plans to the commissioner may, if actuarially justified, provide credits and discounts in compliance with the fortified home and fortified commercial standards created by the Insurance Institute for Business and Home Safety.

<u>Present law</u> further provides that any homeowner who is currently receiving discounts pursuant to <u>present law</u> may opt to maintain discounts offered prior to July 1, 2022, if the homeowner continues to meet the requirements to maintain such discounts, in lieu of the discount provided in this <u>present law</u>.

<u>Proposed law</u> repeals the effective date and mandates instead of authorizing such credits and discounts.

(Amends R.S. 22:1483(A), (B), and (C)(1))

Summary of Amendments Adopted by House

- The Committee Amendments Proposed by <u>House Committee on Insurance</u> to the <u>original</u> bill:
- 1. Add that any insurer required to submit rates and rating plans to the commissioner 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 requirements of the State Uniform Construction Code or the fortified home or fortified commercial standards created by the Insurance Institute for Business and Home Safety.
- 2. Add that any insurer required to submit rates and rating plans to the commissioner shall provide an actuarially justified discount, credit, rate differential, adjustment in deductible, or any other adjustment to reduce the insurance premium to insureds who install mitigation improvements or retrofit their property utilizing construction techniques demonstrated to reduce the amount of loss from a windstorm or hurricane.
- 3. Add that the commissioner shall provide an actuarially justified discount, credit, rate differential, adjustment in deductible, or any other adjustment to reduce the insurance premium charged to any insured who builds or retrofits a structure to comply with the requirements of the fortified home and fortified commercial standards created by the Insurance Institute for Business and Home Safety.

- 4. Remove the authorization of an insured who is currently receiving discounts pursuant to present law to opt to maintain discounts offered prior to July 1, 2022.
- 5. Make technical changes.