

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(A), (B), and (C)(1), relative to the State Construction Code and the Louisiana Fortified Premium Discounts; to provide for premium discounts; to provide for certain building standards; to require certain discounts; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

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

A. 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 **fortified home or fortified commercial standards created by the** Insurance Institute for Business and Home Safety.

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

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

22 * * *

23 Section 2. This Section may be cited as the "The State Uniform Construction Code
24 and the Louisiana Fortified Roof Premium Discount Act".

25 Section 3. This Act shall become effective upon signature by the governor or, if not
26 signed by the governor, upon expiration of the time for bills to become law without signature
27 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
28 vetoed by the governor and subsequently approved by the legislature, this Act shall become
29 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Beth O'Quin.

DIGEST

SB 113 Reengrossed

2023 Regular Session

Hewitt

Present law requires any insurer to submit rates and rating plans to the commissioner of insurance (commissioner) to provide actuarially justified discounts, credits, rate differentials, adjustment in deductibles, or other adjustments to reduce the insurance premium to an insured who builds or retrofits a structure to comply with the State Uniform Construction Code, or install the Insurance Institute for Business and Home Safety (IIBHS).

Proposed law adds that an insurer is required to submit rates and rating plans to the commissioner and to require an insurer provide discounted insurance premiums to an insured who builds or retrofits a structure to comply with the requirements of the fortified home or commercial standards.

Proposed law removes options for an insured to receive mitigation or construction discounts in lieu of receiving a discounted insurance premium for an insured who builds or retrofits a structure of the actuarially discounted premium rate for an insured who built or retrofit a structure to comply with the fortified home and fortified commercial standards.

Present law provides that after July 1, 2022, insurers are required to submit rating plans that authorizes the insurer to provide credits and discounts for fortified home and commercial standards by IIBHS.

Proposed law changes present law to require all insurers to provide actuarially justified discounts, credits, rate differentials, adjustments in deductible, or other adjustments to insureds who build or retrofit to IIBHS fortified home or commercial standards.

Proposed law provides this Section may be cited as "The State Uniform Construction Code and the Louisiana Fortified Roof Premium Discount Act".

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

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

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original bill

1. Removes option to receive mitigation or construction discounts in lieu of receiving an actuarially discounted premium rate for an insured who built or retrofit a structure to comply with the fortified home and fortified commercial standards.
2. Provides the law to be called the "The State Uniform Construction Code and the Louisiana Fortified Roof Premium Discount Act".
3. Makes technical changes.

Senate Floor Amendments to reengrossed bill

1. Makes a technical change.