

2024 Regular Session

HOUSE BILL NO. 441

BY REPRESENTATIVE BOYER

INSURANCE/RATES: Provides for the use of wind zone classification area for new policies covering wind damage

1 AN ACT

2 To enact R.S. 22:1267.2 and 1337.1, relative to commercial and residential property
3 insurance; to provide relative to insurance covering wind damage; to provide
4 insurance coverage for wind damage in areas with the same wind zone rating; to
5 provide for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:1267.2 and 1337.1 are hereby enacted to read as follows:

8 §1267.2. Commercial property insurance; same wind zone classification

9 A. Each insurer providing coverage for wind damage to commercial property
10 within a parish or particular area of a parish that is located in a particular wind zone
11 classification shall spread its exposure to liability for wind damage within the same
12 wind zone classification as provided in this Section.

13 B. If a commercial property insurance policy covering damage caused by
14 wind is terminated, regardless of the reason, the insurer shall write or issue a new
15 policy covering damage caused by wind to another commercial property that is
16 located in an area with the same classification but in which the insurer's exposure to
17 liability for wind damage is less than the location where the termination of coverage
18 occurred.

19 C. The total value of new policies written or issued pursuant to this Section
20 shall, as much as practicable, reflect the total value of wind damage policies

1 terminated, regardless of the reason, so that the total value of the insurer's exposure
2 to wind damage remains the same within the same wind zone classification.

3 * * *

4 §1337.1. Homeowners' insurance; same wind zone classification

5 A. Each insurer providing coverage for wind damage to residential property
6 within a parish or particular area of a parish that is located in a particular wind zone
7 classification shall spread its exposure to liability for wind damage within the same
8 wind zone classification as provided in this Section.

9 B. If a residential property insurance policy covering damage caused by
10 wind is terminated, regardless of the reason, the insurer shall write or issue a new
11 policy covering damage caused by wind to another residential property that is located
12 in an area with the same classification but in which the insurer's exposure to liability
13 for wind damage is less than the location where the termination of coverage
14 occurred.

15 C. The total value of new policies written or issued pursuant to this Section
16 shall, as much as practicable, reflect the total value of wind damage policies
17 terminated, regardless of the reason, so that the total value of the insurer's exposure
18 to wind damage remains the same within the same wind zone classification.

19 Section 2. This Act shall become effective upon signature by the governor or, if not
20 signed by the governor, upon expiration of the time for bills to become law without signature
21 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
22 vetoed by the governor and subsequently approved by the legislature, this Act shall become
23 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 441 Original

2024 Regular Session

Boyer

Abstract: Provides for the use of wind zone classification area for new policies covering wind damage for commercial and residential properties.

Proposed law, relative to commercial and homeowners policies, requires insurers providing coverage for wind damage within a parish or particular area of a parish located in a particular wind zone classification to spread its exposure to liability for wind damage within the same wind zone classification.

If a policy covering wind damage is terminated, regardless of the reason, proposed law requires the insurer to write or issue a new policy for wind damage to another property that is located in an area with the same classification but in which the insurer's exposure to liability for wind damage is less than the location where the termination of coverage occurred.

Proposed law requires the total value of new policies written or issued to reflect, as much as practicable, the total value of wind damage policies terminated so that the total value of the insurer's exposure to wind damage remains the same within the same wind zone classification.

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

(Adds R.S. 22:1267.2 and 1337.1)