

2024 Regular Session

HOUSE BILL NO. 524

BY REPRESENTATIVE WILLARD

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, 2026, at 11:59 p.m.

1 Section 3. Upon expiration of R.S. 22:2303(D)(1)(b), it is the intent of the legislature  
2 that R.S. 22:2303(D)(1) as amended by Section 1 of this Act shall be interpreted as though  
3 the citation of R.S. 22:2303(D)(1)(a) had not been created by Section 1 of this Act.

4 Section 4. This Act shall become effective on January 1, 2025.

#### 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 524 Original

2024 Regular Session

Willard

**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, 2026, at 11:59 p.m.

Effective on Jan. 1, 2025.

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