

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 370** SLS 24RS 281

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> March 17, 2024	2:11 PM	<b>Author:</b> BASS
<b>Dept./Agy.:</b> Insurance		<b>Analyst:</b> Patrice Thomas
<b>Subject:</b> Repeals Three Year Rule for Cancel and NonRenew of Policies		

INSURANCE POLICIES OR NO IMPACT See Note Page 1 of 1  
Provides for the termination of certain property, casualty, or liability policies. (gov sig)

Proposed law repeals the existing prohibition that an insurer providing property, casualty, or liability insurance cannot cancel or fail to renew a homeowners' policy or increase the deductible for a homeowners' policy when the policy has been in effect and renewed for more than three years. For policies that have been in effect or renewed for more than three years, proposed law authorizes an insurer may modify a homeowners' policy deductible, and a modification of coverage at the time the policy is renewed is not deemed a cancellation or failure to renew. For homeowners policies in effect on or before 8/01/2024, proposed law requires an insurer to file (which is considered proprietary or trade secret) if it intends to non-renew up to 5% of its homeowner's policies per calendar year for any reason, and if an insurer requests, the Commissioner of Insurance may approve more than 5%. Proposed law repeals the existing 5-year prohibition against an insurer that withdraws from the market from re-entering the market.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Proposed law repeals the three-year rule and allows insurers providing property, casualty, or liability insurance to file with the Commissioner of Insurance of its intentions to non-renew/cancel up to 5% of its homeowners policies per calendar year for any reason. Also, the proposed law requires approval from the Commissioner if an insurer requests to non-renew more than 5% of its homeowner's policies. The proposed law requires the Commissioner/LA Department of Insurance (LDI) to promulgate administrative rules. LDI reports that it is capable of handling any workload resulting from non-renewal filing and administrative rules with its existing budgetary and personnel resources.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Alan M. Boxberger*  
**Alan M. Boxberger**  
**Legislative Fiscal Officer**