

## HOUSE SUMMARY OF SENATE AMENDMENTS

**HB 611**

**2024 Regular Session**

**Firment**

INSURANCE/PROPERTY: Provides relative to homeowners' insurance and termination of certain policies

### Synopsis of Senate Amendments

1. Removes proposed law that would have prevented an insurer from including in a plan more than 5% of policies to be nonrenewed in any one parish.
2. Removes proposed law that would have prohibited an insurer from charging a homeowners' policy deductible that exceeds 5% of a dwelling's replacement cost value.

### Digest of Bill as Finally Passed by Senate

Present law prohibits insurers providing property, casualty, and liability insurance from cancelling or nonrenewing homeowners' policies that have been in effect and renewed for more than three years, or increasing deductibles of such policies, unless certain circumstances apply.

Proposed law retains present law but deletes an insurer's present law prohibition against increasing deductibles for homeowners' policies in effect and renewed for more than three years.

Present law does not apply to an insurer that increases policy deductibles for all homeowners' insurance policies in this state.

Proposed law amends present law to generally authorize the modification of policy deductibles. Further adds that modification of coverage at the time of renewal is not a cancellation or failure to renew a policy.

Proposed law provides that present and proposed law do not apply to policies issued after Aug. 1, 2024.

For policies in place for at least three years prior to Aug. 1, 2024, proposed law authorizes an insurer to file a plan with the commissioner of insurance (commissioner) to nonrenew up to 5% of its customers' policies per calendar year for any reason. Requires the commissioner's approval of an insurer's request to nonrenew more than 5% of the policies in a given calendar year. Further requires the commissioner to adopt regulations in accordance with the APA to set forth requirements for an insurer's plan and request authorized in proposed law.

Proposed law provides that an insurer's plan is considered proprietary or trade secret in accordance with present law (R.S. 44:3.2) and the Uniform Trade Secrets Act (R.S. 51:1431 et seq.).

Present law (R.S.22:1265(F) and 1333(D)) authorizes an insurer to file with the commissioner certain rating plans with respect to changing deductibles for policies in effect for more than three years. Requires the insurer to include in its filing the details of plans to write new business in regions or areas where a new deductible will apply. Requires the commissioner to base approval on the insurer's commitment to writing new business and authorizes approval of filings in the best interest of policyholders. Further authorizes the commissioner to subsequently rescind approval of any filing if the insurer fails to write new business in accordance with the plan.

Proposed law repeals present law (R.S. 22:1265(F) and 1333(D)).

Present law (R.S. 22:1265(H) and 1333(F)) requires any company that makes a filing in accordance with present law to reduce the rates paid by the individual homeowner by the amount determined to be actuarially justified by the commissioner.

Proposed law repeals present law (R.S. 22:1265(H) and 1333(F)).

Proposed law repeals duplicative provisions of present law (R.S. 22:1333(C), (E), (G), and (H)).

Proposed law (uncodified) is intended to give insurers full flexibility in issued policies regarding applicable deductibles. Provides a policyholder's right to request a decrease in a policy's deductible in exchange for an increase in premium.

Proposed law becomes effective on Jan. 1, 2025, except for R.S. 22:1265(K), which becomes effective upon signature of governor or lapse of time for gubernatorial action, or upon subsequent approval of the legislature.

(Amends R.S. 22:1265(D); Adds R.S. 22:1265(K) and (L); Repeals R.S. 22:1265(F) and (H) and 1333(C)-(H))