## **HOUSE COMMITTEE AMENDMENTS**

2024 Regular Session

Amendments proposed by House Committee on Insurance to Reengrossed Senate Bill No. 113 by Senator Talbot

## 1 AMENDMENT NO. 1

- 2 On page 1, line 2, delete "2303(A)(1)," and insert in lieu thereof "2303(D)(1) and to enact
- 3 R.S. 22:2303(D)(6),"
- 4 AMENDMENT NO. 2
- 5 On page 1, line 3, after "Corporation;" delete the remainder of the line and insert in lieu
- 6 thereof "to provide relative to the excess rate charged on premiums; to provide relative to
- 7 the Louisiana Insurance Guaranty Association; to provide relative to liability; to provide for
- 8 effectiveness;
- 9 AMENDMENT NO. 3
- 10 On page 1, line 6, delete "2303(A)(1)" and insert in lieu thereof "2303(D)(1)"
- 11 AMENDMENT NO. 4
- On page 1, line 7, after "reenacted" insert "and R.S. 22:2303(D)(6) is hereby enacted"
- 13 AMENDMENT NO. 5
- On page 1, line 11, change "suspension;" to "suspension;"
- 15 AMENDMENT NO. 6
- On page 2, line 6, delete "<u>limit.</u>" and insert in lieu thereof "<u>limit; however, this Subsection</u>
- 17 does not limit the Louisiana Citizens Property Insurance Corporation from paying
- 18 <u>legal interest due from breach or reasonable attorney fees and costs when otherwise</u>
- 19 **provided by this Section.**"
- 20 AMENDMENT NO. 7
- 21 On page 2, line 19, delete "limit." and insert in lieu thereof "limit; however, this
- 22 <u>Subsection does not limit the Louisiana Citizens Property Insurance Corporation from</u>
- paying legal interest due from breach or reasonable attorney fees and costs when
- 24 otherwise provided by this Section."
- 25 AMENDMENT NO. 8
- On page 2, delete lines 22 through 29 in their entirety
- 27 <u>AMENDMENT NO. 9</u>
- Delete page 3 in its entirety and insert in lieu thereof the following:
- 29 "\* \* \*
- D.(1) Notwithstanding the provisions of Paragraph (A)(1) of this Section, until August 15, 2010, December 31, 2027, subject to the provisions of Paragraph

  (3) of this Subsection, rates for policies issued by the corporation shall charge exceed by five percent the higher of (a) actuarially justified rates or (b) the highest rates charged among assessable insurers that have a minimum of two percent of the

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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, only, (c) the highest rates charged among assessable insurers in each respective parish which in the preceding year increased by at least twenty-five additional personal lines property insurance policies, excluding wind and hail policies, in such parish, the total number of such policies in effect for the parish over the year before, in any noncompetitive market unless competition resumes. If the corporation is writing more than fifty percent of the residential property insurance business in a market, including wind- and hail-only coverages, the board of directors shall report that fact to the commissioner of insurance. Notwithstanding any other provision of law to the contrary, until August 15, 2015, December 31, 2027, subject to the provisions of Paragraph (3) of this Subsection, regardless of whether a competitive market may exist, the ten percent no rate in excess of the higher of (a) the actuarially justified rate or (b) the highest rates charged among assessable insurers that have a minimum of two percent 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, only, (c) the highest rates charged among assessable insurers in each respective parish which in the preceding year increased by at least twenty-five additional personal lines property insurance policies, excluding wind and hail policies, in such parish, the total number of such policies in effect for the parish over the year before, as authorized in Subsection A of this Section, shall not apply in St. Mary Parish and parishes listed in R.S. 40:1730.27(A) to properties within the parishes of Calcasieu, Cameron, Iberia, Jefferson, Lafourche, Orleans, Plaquemines, St. Bernard, St. Mary, St. Tammany, Terrebonne, and Vermilion.

(6)(a) Prior to February first of each year, the commissioner shall report to the House Committee on Insurance and the Senate Committee on Insurance the percentage of residential property insurance business in each of the sixty-four parish markets in this state. If the corporation is writing less than twenty percent of the residential property insurance in any given parish market, the commissioner may recommend to the committees that the provisions of this Subsection be legislatively terminated and the provisions of Subsection A of this Section be reinstated as to that parish market.

(b) The provisions of this Paragraph shall terminate on January 1, 2028. Section 2. The Legislature recognizes that Louisiana is undergoing a crisis in availability and affordability in its residential property insurance market. While there have been numerous legislative actions taken in the 2024 Regular Session of the Legislature to address this crisis, the people of Louisiana who secure insurance coverage through Louisiana Citizens Property Insurance Corporation due to the absence of a private market alternative are paying ten percent above the actuarially justified rate required to insure their homes. While the Legislature continues to repair and remediate the devastating impact of the storms and ensuing insurance insolvencies, the measures provided by this Act are designed to provide some temporary rate relief until these efforts can be realized in the form of a more competitive market where insurance is more readily available and affordable from the private market than it is now. R.S. 22:2303(D)(1) and R.S. 22:2303(D)(6) as proposed in Section 1 of this Act are not intended to be permanent and will cease to be effective on December 31, 2027.

Section 3.(A) The provisions of R.S. 22:2303(D)(1), as amended and reenacted by Section 1 of this Act, and the provisions of R.S. 22:2303(D)(6), as enacted by Section 1 of this Act, shall become effective on January 1, 2025.

(B) Except R.S. 22:2303(D)(1), as amended and reenacted by Section 1 of this Act, and R.S. 22:2303(D)(6), as enacted by Section 1 of this Act, the provisions of this Act shall become effective on July 1, 2024. If vetoed by the governor and subsequently approved by the legislature, the provisions of this Act, except R.S. 22:2303(D)(1) as amended and reenacted by Section 1 of this Act, and R.S. 22:2303(D)(6), as enacted by Section 1 of this Act, shall become effective on the day following such approval or July 1, 2024, whichever is later."