

## RÉSUMÉ DIGEST

**ACT 9 (HB 611)**

**2024 Regular Session**

**Firment**

Existing 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 3 years unless certain circumstances apply.

New law retains existing law.

Prior law prohibited insurers providing property, casualty, and liability insurance from increasing deductibles of policies in effect and renewed for more than 3 years.

New law repeals prior law.

New law generally authorizes the modification of policy deductibles and provides that modification of coverage at the time of renewal is not a cancellation or failure to renew a policy.

New and existing law do not apply to policies issued after Aug. 1, 2024.

For policies in place for at least 3 years prior to Aug. 1, 2024, new 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. Authorizes the commissioner to approve an insurer's request to nonrenew more than 5% of its 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 new law.

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

Prior law (R.S. 22:1265(F) and 1333(D)) authorized an insurer to file with the commissioner certain rating plans with respect to changing deductibles for policies in effect for more than 3 years. Required the insurer to include in its filing the details of plans to write new business in regions where a new deductible would apply. Required the commissioner to approve plans in the best interest of policyholders and with the insurer's commitment to write new business. Further authorized the commissioner to subsequently rescind approval of any filing if the insurer failed to write new business in accordance with the plan.

New law repeals prior law (R.S. 22:1265(F) and 1333(D)).

Prior law (R.S. 22:1265(H) and 1333(F)) required any company that made a filing in accordance with prior law to reduce the rates paid by the individual homeowner by an amount determined to be actuarially justified by the commissioner.

New law repeals prior law (R.S. 22:1265(H) and 1333(F)).

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

New 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.

New law is effective on Jan. 1, 2025, except for R.S. 22:1265(K), which is effective upon signature of the governor, May 7, 2024.

Effective January 1, 2025.

(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))