SLS 25RS-317

ORIGINAL

2025 Regular Session

SENATE BILL NO. 68

BY SENATOR CONNICK

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

INSURANCE DEPARTMENT. Establishes the Homeowners' Insurance Transparency Act. (1/1/26)

AN ACT
To enact Subpart D-2 of Part IV of Chapter 4 of Title 22 of the Louisiana Revised Statutes
of 1950, to be comprised of R.S. 22:1347.1 through 1347.6, relative to the
Homeowners' Insurance Transparency Act; to provide for definitions; to provide for
disclosures of homeowners' insurance companies and affiliated entities; to provide
for filing deadlines; to provide for transparency of financial transactions; to provide
for penalties for noncompliance; to provide for oversight; to provide for an effective
date; and to provide for related matters.
Be it enacted by the Legislature of Louisiana:
Section 1. Subpart D-2 of Part IV of Chapter 4 of Title 22 of the Louisiana Revised
Statutes of 1950, comprised of R.S. 22:1347.1 through 1347.6, is hereby enacted to read as
follows:
<u>§1347.1. Short title</u>
This Act shall be known and may be cited as the "Homeowners'
Insurance Transparency Act".
§1347.2. Definitions
As used in this Subpart, the following definitions apply:

Page 1 of 4 Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.

1	(1) "Affiliated entity" means a company or firm that is directly or
2	indirectly controlled by, or under common control with, a homeowners'
3	insurance company. Affiliated entity includes but is not limited to claims
4	adjustment firms, reinsurance companies, and service providers.
5	(2) "Commissioner" means the commissioner of insurance.
6	(3) "Department" means the Department of Insurance.
7	(4) "Homeowners' insurance company" means any insurer authorized
8	to issue homeowners' insurance policies in this state.
9	§1347.3. Disclosures required of homeowners' insurance companies
10	A. Every homeowners' insurance company shall submit an annual report
11	to the department, on a form prescribed by the commissioner, disclosing the
12	following information for each affiliated entity:
13	(1) The total annual profit or loss, including profits or losses from claims
14	adjusting firms, reinsurance companies, and any other related businesses that
15	benefit financially from the homeowners' insurance company's operations.
16	(2) A breakdown of all fees and commissions paid by the homeowners'
17	insurance company to the affiliated entity.
18	(3) A list of the services provided by the affiliated entity, along with the
19	total value of services rendered to the homeowners' insurance company in the
20	reporting period.
21	(4) Any additional financial interests, transactions, or agreements
22	between the homeowners' insurance company and the affiliated entity that
23	could potentially affect rates or premiums paid by Louisiana homeowners.
24	B. The disclosures shall include any significant changes in the operation
25	or structure of each affiliated entity that may impact the profitability of the
26	homeowners' insurance company.
27	C. The disclosures required by this Section shall be due no later than
28	ninety days after the end of the homeowners' insurance company's fiscal year.
29	§1347.4. Transparency of financial transactions

1	The department shall ensure that the disclosures required by R.S.
2	22:1347.3 are made publicly available on the website of the department or other
3	publicly accessible platform.
4	<u>§1347.5. Penalty</u>
5	A homeowners' insurance company that fails to timely submit the
6	required disclosures to the department may be subject to the following actions
7	by the commissioner:
8	(1) Suspension of the homeowners' insurance company's ability to issue
9	new homeowners' policies until the required disclosures are filed with the
10	department.
11	(2) A fine not exceeding:
12	(a) \$10,000 for the first offense.
13	(b) \$25,000 for the second and any subsequent offenses.
14	§1347.6. Regulations
15	The commissioner may, in accordance with the Administrative
16	Procedure Act, R.S. 49:950 et seq., promulgate rules and regulations as
17	necessary to enforce the provisions of this Subpart.
18	Section 2. The commissioner shall create and make available to homeowners'
19	insurance companies the form required by R.S. 22:1347.3(A) no later than thirty days after
20	the effective date of this Act.
21	Section 3. This Act shall become effective on January 1, 2026.
	The original instrument and the following digest, which constitutes no part of the logislative instrument, were prepared by Senate Legislative Services

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, 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)]

	DIGEST	
SB 68 Original	2025 Regular Session	Connick

<u>Proposed law</u> requires homeowner insurance companies to disclose the profits of affiliated entities, such as claims adjustment firms, which may impact policyholder premiums.

<u>Proposed law</u> requires the Dept. of Insurance to publish the required disclosures on its website and make the disclosures publicly available.

Proposed law provides for penalties for failure to timely file the required disclosures.

Page 3 of 4 Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions. Proposed law requires the commissioner to draft the disclosure form.

<u>Proposed law</u> allows the commissioner to promulgate rules and regulations pursuant to the Administrative Procedures Act.

<u>Proposed law</u> defines "affiliated entity", "commissioner", "department", and "homeowners' insurance company".

Effective January 1, 2026.

(Adds R.S. 22:1347.1-1347.6)