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## DIGEST

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HB 356 Original

2025 Regular Session

Braud

**Abstract:** Creates the Stated Value Homeowner's Policy Act to provide homeowners an option to choose coverage based on the stated value of residential property.

Proposed law defines "stated value homeowner's policy", "property and casualty insurer", and "homeowner".

Proposed law requires property and casualty insurers to offer a stated value homeowner's policy option to consumers, allowing for insurance coverage based on a stated value of the residential property as declared by the homeowner, rather than solely on the market value of the property.

Proposed law requires an insurer to prominently disclose stated value policy offerings in all insurance policy proposals, agreements, and renewal documents provided to consumers.

Proposed law requires homeowners electing a stated value homeowner's policy to submit to insurers a written payoff statement from the financial institution or other entity holding a mortgage on the property to accurately reflect the outstanding balance or nature of the mortgage on the property at the time of applying for or renewing the insurance policy. Further requires homeowners to provide a mortgage certificate from the clerk of court indicating the presence or absence of a mortgage on the property.

Proposed law requires property and casualty insurers to provide a coverage limit for the residential property that is equal to the unpaid principal balance as stated on the payoff statement. Further requires the insurer to obtain a statement signed by insureds which contains a certain notice informing the insured of the election of a limit equal to only the unpaid principal balance of the mortgage loan. Further provides other information related to the homeowner's risk.

Proposed law prohibits an insurer from issuing a stated value homeowner's policy for a sum less than the verified outstanding balance of any mortgage on the homeowner's property, ensuring that the insurance coverage adequately reflects the financial obligations associated with the property.

Proposed law requires the La. Dept. of Insurance (LDI) to enforce proposed law. Authorizes the LDI to adopt, amend, and repeal administrative rules in accordance with the APA for implementation and enforcement of proposed law.

Proposed law provides penalties as prescribed in the La. Insurance Code against property and casualty insurers found in violation of proposed law.

Proposed law provides that if any application of proposed law is held to be invalid, the application of remaining portions of proposed law are not affected.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 22:1346.1-1346.5)