

2016 Regular Session

SENATE BILL NO. 185

BY SENATOR MORRISH

INSURANCE PREMIUMS. Provides with respect to insurance premium finance companies. (8/1/16)

1 AN ACT

2 To amend and reenact R.S. 9:3550(B), relative to insurance premium finance companies; to
3 provide with respect to premium finance agreements which may also include a loan
4 agreement with the policyholder for wind mitigation retrofits to the insured property;
5 and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 9:3550(B) is hereby amended and reenacted to read as follows:

8 §3550. Insurance premium finance companies

9 * * *

10 B. For purposes of this Section:

11 (1) "Insurance premium finance company" means a person engaged in the
12 business of entering into premium finance agreements.

13 (2) "License" means an insurance premium finance company holding a
14 license issued under this Section.

15 (3) "Person" includes an individual, limited liability company, partnership,
16 association, business corporation, nonprofit corporation, common law trust,
17 joint-stock company, or any other group of individuals however organized.

Proposed law retains present law and allows a premium finance agreement to include a loan agreement with the policyholder for wind mitigation retrofits to the insured property. Further requires the homeowners' insurance policy to be issued to a homeowner who has financed the cost of wind mitigation retrofits with a consumer finance company for the purpose of obtaining wind mitigation and other credits on his homeowners' insurance policy.

Proposed law provides that if the qualifying homeowners' insurance policy is cancelled, expired, or is not renewed, the wind mitigation loan agreement shall continue to be administered pursuant to its terms until paid in full. Further provides that any cancellation, expiration, or nonrenewal of the insurance policy shall not accelerate the due date of the wind mitigation loan.

Effective August 1, 2016.

(Amends R.S. 9:3550(B))

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Clarified that if the homeowners' insurance policy is cancelled, expired, or not renewed, the wind mitigation loan agreement shall continue in effect, with no change in terms or due date, until it is paid in full.