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The original instrument was prepared by Cheryl Cooper. The following digest, which does not constitute a part of the legislative instrument, was prepared by Linda Nugent.

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DIGEST

SB 185 Reengrossed

2016 Regular Session

Morrish

Present law defines a premium finance agreement as an agreement by which an insured or prospective insured promises to pay to an insurance premium finance company the amount advanced or to be advanced under the agreement in payment of premiums on an insurance contract.

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.