HLS 12RS-521 ORIGINAL

Regular Session, 2012

HOUSE BILL NO. 257

1

BY REPRESENTATIVE HENRY

INSURANCE/PROPERTY: Provides relative to assessment refunds from La. Citizens Property Insurance Corporation

AN ACT

2 To amend and reenact R.S. 22:2297(D)(1) and 2317 and to enact R.S. 22:2305(C), relative 3 to the refund of certain assessments from Louisiana Citizens Property Insurance 4 Corporation; to provide for the return of assessment refunds from Louisiana Citizens 5 Property Insurance Corporation; to provide for information relative to the amount of 6 assessment returns to be included in the corporation's annual report; and to provide 7 for related matters. 8 Be it enacted by the Legislature of Louisiana: 9 Section 1. R.S. 22:2297(D)(1) and 2317 are hereby amended and reenacted and R.S. 10 22:2305(C) is hereby enacted to read as follows: 11 §2297. Powers and duties of Louisiana Citizens Property Insurance Corporation 12 13 D. The corporation shall: 14 (1) Coordinate with Louisiana homeowners' insurers to develop a collection 15 and recordkeeping system, the purpose of which is to maintain an accounting of 16 homeowners' insurance policyholders in this state who have paid an assessment tax 17 to the corporation, pursuant to R.S. 22:2307, and are due a refund of this assessment 18 tax. The corporation shall initiate the return of this assessment to the insureds that 19 have paid the assessment and are due a return.

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	(a) This recordkeeping system, as well as the assessment refund process,
2	shall continue for as long as the assessment is collected from homeowners' insurance
3	policyholders in this state, and shall be maintained and updated annually and
4	included in the annual report mandated by R.S. 22:2305.
5	(b) The provisions of this Paragraph shall be applicable to assessments
6	collected dating back to 2009 and shall have prospective applicability.
7	(c) The board of directors of the corporation shall act as necessary to carry
8	out the provisions of this Paragraph.
9	* * *
10	§2305. Annual and quarterly reports
11	* * *
12	C. Pursuant to R.S. 22:2297(D), the corporation shall report annually to the
13	commissioner of insurance the number of insureds in the state who have paid the
14	corporation's assessment tax and the amount of refunds that shall be distributed for
15	the preceding fiscal year.
16	* * *
17	§2317. Refund of certain assessments
18	At the time of issuance or annual renewal of a property insurance policy, each
19	insurer shall include the following with the policy sent to each insured:
20	(1) Information on the electronic link to the form designated by the
21	Department of Revenue to receive a refund from the state after its payment by the
22	insured pursuant to R.S. 47:6025(A)(3) for the amount of any surcharge, market
23	equalization charge, or other assessment levied by the corporation pursuant to R.S.
24	22:2307 due to Hurricanes Katrina and Rita. Submit to the corporation and the
25	commissioner of insurance a disclosure form which notifies the corporation whether
26	the policy premium includes an assessment levied by the corporation pursuant to
27	R.S. 22:2307, and the amount of such assessment.
28	(2) A Include a statement in fourteen-point or boldface type that notifies the
29	insured that any surcharge, market equalization charge, or other assessment levied

2

by the corporation pursuant to R.S. 22:2307 due to Hurricanes Katrina and Rita is

refundable.shall be refunded by the corporation in the following year.

## **DIGEST**

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, 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)]

Henry HB No. 257

**Abstract:** Requires La. Citizens Property Insurance Corporation to work with homeowners' insurers to maintain a system that keeps track of the refunds due to insureds and to automatically deliver those refunds.

<u>Present law</u> provides that homeowners' insurance policy premiums in La. will include an assessment tax that is levied by the La. Citizens Property Insurance Corporation. Further provides that insureds are due a refund of this assessment and may obtain the refund by filling out a form on the corporation's website and sending it to the corporation.

<u>Proposed law</u> requires the corporation to keep track of the refunds due as a result of collected assessments and to send these refunds to insureds without the insured having to initiate this action.

<u>Proposed law</u> requires Citizens to report annually to the Commissioner of Insurance the number of insureds who have paid the assessment and the amount of refunds to be distributed.

(Amends R.S. 22:2297(D)(1) and 2317; Adds R.S. 22:2305(C))