

Regular Session, 2011

HOUSE RESOLUTION NO. 18

BY REPRESENTATIVE HARRISON

A RESOLUTION

To urge and request the Department of Insurance to study the feasibility of prohibiting insurers from imposing more than a two percent deductible, including but not limited to a named-storm or hurricane deductible on any homeowner's insurance policy.

WHEREAS, all insurers that issue homeowner's insurance policies in this state have an all-perils deductible, which covers a one- or two-family owner occupied premises that combines fire and allied lines with any one or more perils of casualty, liability, or other types of insurance within one policy form at a single premium; and

WHEREAS, most insurers that issue homeowner's insurance policies in this state have an additional named-storm or hurricane deductible, which covers any damage incurred to a one- or two-family owner occupied premises that as a result of a named storm or hurricane within one policy form at a single premium; and

WHEREAS, some insurers that issue homeowner's insurance policies in this state increased their named-storm or hurricane deductible after Hurricane Katrina in 2005 pursuant to R.S. 22:1336 to as much as five percent of the value of the insured's home that is insured; and

WHEREAS, although insurers are required to give notice to insureds of any change, increase, or alteration of premium to an insured's policy pursuant to R.S. 22:1332, the increase in premiums subsequent to Hurricane Katrina caught most insureds off guard and to their surprise; and

WHEREAS, debates have centered, in part, around the undue financial burden on the insured as a result of the increase in the named storm or hurricane deductible; and

WHEREAS, having two deductibles under a homeowner's insurance policy in this state is another concern; and

WHEREAS, under current law, an insured would bear the burden of paying more than one deductible in the event more than one named storm or hurricane were to occur

during a hurricane season in the event damage was incurred to his home as a result of the named storm or hurricane.

THEREFORE, BE IT RESOLVED that the House of Representatives of the Legislature of Louisiana does hereby urge and request that the Department of Insurance study the feasibility of prohibiting insurers from imposing more than a two percent deductible, including but not limited to a named-storm or hurricane deductible, on any homeowner's insurance policy.

BE IT FURTHER RESOLVED that the department shall report its findings no later than thirty days prior to the convening of the 2012 Regular Session of the Legislature of Louisiana.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the commissioner of insurance.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES