

SENATE BILL NO. 113

BY SENATOR TALBOT AND REPRESENTATIVES BERAULT, BILLINGS, CARRIER, CARVER, FIRMENT, FREEMAN, HENRY, JACKSON, MELERINE, NEWELL AND SELDERS

1 AN ACT

2 To amend and reenact R.S. 22:1892(H), 1892.2(F), and 2303(D)(1) and to enact R.S.
3 22:2303(D)(6), relative to Louisiana Citizens Property Insurance Corporation; to
4 provide relative to the excess rate charged on premiums; to provide relative to the
5 Louisiana Insurance Guaranty Association; to provide relative to liability; to provide
6 for effectiveness; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:1892(H), 1892.2(F), and 2303(D)(1) are hereby amended and
9 reenacted and R.S. 22:2303(D)(6) is hereby enacted to read as follows:

10 §1892. Payment and adjustment of claims; policies other than life and health and
11 accident; **good faith duty; breach of good faith duty;** vehicle
12 damage claims; extension of time to respond to claims during
13 emergency or disaster; penalties; arson-related claims suspension;
14 **definitions**

15 * * *

16 H. The Louisiana Insurance Guaranty Association, as provided in R.S.
17 22:2051 et seq., and the Louisiana Citizens Property Insurance Corporation, as
18 provided in R.S. 22:2291 et seq., shall not be subject to the provisions of Code of
19 Civil Procedure Article 591 et seq., or any other provision allowing a class action,
20 for any damages including any penalties awarded pursuant to the provisions of this
21 Section. **The Louisiana Insurance Guaranty Association, as provided in R.S.**
22 **22:2051 et seq., shall also not be liable for any special damages or penalties**
23 **provided for in this Section. The Louisiana Citizens Property Insurance**
24 **Corporation, as provided in R.S. 22:2291 et seq., shall not be liable for general**
25 **damages, special damages, or penalties in excess of the policy's limit; however,**
26 **this Subsection does not limit the Louisiana Citizens Property Insurance**

1 additional personal lines property insurance policies, excluding wind and hail
 2 policies, in such parish, the total number of such policies in effect for the parish over
 3 the year before, in any noncompetitive market unless competition resumes. If the
 4 corporation is writing more than fifty percent of the residential property insurance
 5 business in a market, including wind- and hail-only coverages, the board of directors
 6 shall report that fact to the commissioner ~~of insurance~~. Notwithstanding any other
 7 provision of law to the contrary, until August 15, 2015, regardless of whether a
 8 competitive market may exist, the ten percent rate in excess of the higher of (a) the
 9 actuarially justified rate or (b) the highest rates charged among assessable insurers
 10 that have a minimum of two percent of the total direct written premium in each
 11 respective parish for that line of business in the preceding year, or, with respect to
 12 personal lines property insurance, excluding wind and hail policies, only, (c) the
 13 highest rates charged among assessable insurers in each respective parish which in
 14 the preceding year increased by at least twenty-five additional personal lines
 15 property insurance policies, excluding wind and hail policies, in such parish, the total
 16 number of such policies in effect for the parish over the year before, as authorized
 17 in Subsection A of this Section, shall not apply in St. Mary Parish and parishes listed
 18 in R.S. 40:1730.27(A).

19 * * *

20 **(6)(a) Prior to February first of each year, the commissioner shall report**
 21 **to the House Committee on Insurance and the Senate Committee on Insurance**
 22 **the percentage of residential property insurance business in each of the**
 23 **sixty-four parish markets in this state. If the corporation is writing less than**
 24 **twenty percent of the residential property insurance in any given parish market,**
 25 **the commissioner may recommend to the committees that the provisions of this**
 26 **Subsection be legislatively terminated and the provisions of Subsection A of this**
 27 **Section be reinstated as to that parish market.**

28 **(b) The provisions of this Paragraph shall terminate on January 1, 2028.**

29 Section 2. The Legislature recognizes that Louisiana is undergoing a crisis in
 30 availability and affordability in its residential property insurance market. While there have

1 been numerous legislative actions taken in the 2024 Regular Session of the Legislature to
 2 address this crisis, the people of Louisiana who secure insurance coverage through Louisiana
 3 Citizens Property Insurance Corporation due to the absence of a private market alternative
 4 are paying ten percent above the actuarially justified rate required to insure their homes.
 5 While the Legislature continues to repair and remediate the devastating impact of the storms
 6 and ensuing insurance insolvencies, the measures provided by this Act are designed to
 7 provide some temporary rate relief until these efforts can be realized in the form of a more
 8 competitive market where insurance is more readily available and affordable from the
 9 private market than it is now. R.S. 22:2303(D)(1) and R.S. 22:2303(D)(6) as proposed in
 10 Section 1 of this Act are not intended to be permanent and will cease to be effective on
 11 December 31, 2027.

12 Section 3.(A) The provisions of R.S. 22:2303(D)(1), as amended and reenacted by
 13 Section 1 of this Act, and the provisions of R.S. 22:2303(D)(6), as enacted by Section 1 of
 14 this Act, shall become effective on January 1, 2025.

15 (B) Except R.S. 22:2303(D)(1), as amended and reenacted by Section 1 of this Act,
 16 and R.S. 22:2303(D)(6), as enacted by Section 1 of this Act, the provisions of this Act shall
 17 become effective on July 1, 2024. If vetoed by the governor and subsequently approved by
 18 the legislature, the provisions of this Act, except R.S. 22:2303(D)(1) as amended and
 19 reenacted by Section 1 of this Act, and R.S. 22:2303(D)(6), as enacted by Section 1 of this
 20 Act, shall become effective on the day following such approval or July 1, 2024, whichever
 21 is later.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____