

SENATE BILL NO. 595

BY SENATOR QUINN AND REPRESENTATIVE LEGER

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AN ACT

To enact R.S. 22:1338, relative to property insurance; to prohibit certain actions involving insurance policies due to the presence of certain Chinese drywall; to provide penalties for violations; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1338 is hereby enacted to read as follows:

§1338. Homeowners' insurance; prohibited actions involving Chinese drywall; penalty

A. No insurer shall cancel or fail to renew any homeowners' insurance policy, regardless of whether the policy has been in effect for less than three years, based solely on the presence of installed Chinese drywall in the insured's property or the filing of a claim by an insured that is based on the presence of Chinese drywall which, prior to December 31, 2009, was imported from, or manufactured in, the People's Republic of China. Nothing in this Section shall be construed to allow an insured to avoid its obligations under the terms of the insurance contract.

B. Any insurer violating the provisions of this Section shall be subject to a penalty to be imposed by the commissioner which penalty shall be up to fifteen thousand dollars, plus all attorney fees, expenses, and court costs incurred by the homeowner in having the policy reinstated.

C. Any insurer which has canceled or failed to renew a policy after an insured has made a claim due to the presence of Chinese drywall shall have thirty days from the effective date of this Section to reinstate the policy on the same terms and conditions that applied to the policy prior to the claim or be in violation of the provisions of this Section.

1 **D. This Section shall not amend, alter, or affect binders, as defined in**
 2 **R.S. 22:870, that are used to bind insurance coverage temporarily pending the**
 3 **issuance of an insurance policy.**

4 **E. The provisions of this Section shall cease to be effective after July 1,**
 5 **2013.**

6 Section 2. This Act shall become effective upon signature by the governor or, if not
 7 signed by the governor, upon expiration of the time for bills to become law without signature
 8 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 9 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 10 effective on the day following such approval.

 PRESIDENT OF THE SENATE

 SPEAKER OF THE HOUSE OF REPRESENTATIVES

 GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____