

Regular Session, 2010

HOUSE BILL NO. 706

BY REPRESENTATIVE ABRAMSON

INSURANCE/PROPERTY: Provides relative to application to the Louisiana Citizens Property Insurance Corporation for coverage and issuance and renewal of a policy by such corporation

1 AN ACT

2 To amend and reenact R.S. 22:2302(A) and (C) and to enact R.S. 22:2302(E), relative to the  
3 Louisiana Citizens Property Insurance Corporation; to require such corporation to  
4 provide certain information to applicants for coverage and policyholders renewing  
5 coverage by such corporation; to further require such corporation to take certain  
6 actions upon issuance of a policy; to require the Department of Insurance to provide  
7 certain information to the corporation; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 22:2302(A) and (C) are hereby amended and reenacted and R.S.  
10 22:2302(E) is hereby enacted to read as follows:

11 §2302. Eligibility; application

12 A.(1) Any person having an insurable interest in insurable property and who  
13 has been denied coverage by one or more insurers authorized to write property  
14 insurance in this state is entitled to apply to the corporation, directly or through a  
15 representative, for such coverage through the Coastal Plan or the FAIR Plan, and for  
16 an inspection of the property. Every such application shall be submitted on forms  
17 prescribed by the governing board of the corporation and on file with the  
18 commissioner of insurance which clearly states that the corporation is an insurer of

1 last resort. Every application form shall require that the applicant disclose each  
2 insurance carrier or carriers who denied property insurance coverage to the applicant.

3 (2) Upon receipt of the application form and before it issues a policy, the  
4 corporation shall send to the applicant a list of all property insurers who are writing  
5 in his parish.

6 \* \* \*

7 C.(1) If the corporation determines that the property is insurable, the  
8 corporation, upon receipt of the premium or such portion thereof as is prescribed for  
9 either the Coastal Plan or the FAIR Plan, shall cause to be issued the appropriate  
10 policy of essential property insurance for a term not exceeding one year. Any policy  
11 issued pursuant to the provisions of this Section shall be renewed annually, upon  
12 payment of premium due, so long as the property meets the definition of "insurable  
13 property".

14 (2) Upon issuance of a policy, the corporation shall send the policyholder a  
15 form for his signature offering him the option of being solicited by telephone, mail,  
16 or any other means for coverage by any property insurer who is writing in his parish.

17 (3) Upon renewal of a policy, the corporation shall send to the policyholder  
18 a list of all property insurers who are writing in his parish.

19 \* \* \*

20 E. For purposes of Paragraphs (A)(2) and (C)(2) and (3) of this Section, a  
21 current list of all property insurers other than the corporation who are writing in each  
22 parish shall be provided to the corporation by the Department of Insurance.

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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)]

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Abramson

HB No. 706

**Abstract:** Generally requires the La. Citizens Property Insurance Corporation to inform both applicants and policyholders upon renewal of all property insurers who are writing in their respective parishes.

Proposed law provides that, upon receipt of an application form and before it issues a policy, the Louisiana Citizens Property Insurance Corporation (La. Citizens) shall send to an applicant a list of all property insurers who are writing in his parish. Further requires that, upon issuance of a policy, La. Citizens send the policyholder a form for his signature offering him the option of being solicited by telephone, mail, or any other means for coverage by any property insurer who is writing in his parish. Also requires La. Citizens to send a policyholder a list of all property insurers who are writing new business in his parish upon renewal of his policy. Further provides that a current list of property insurers other than the corporation who are writing in each parish shall be provided to the La. Citizens by the Department of Insurance.

(Amends R.S. 22:2302(A) and (C); Adds R.S. 22:2302(E))