

Regular Session, 2014

HOUSE BILL NO. 723

BY REPRESENTATIVE IVEY

INSURANCE/FLOOD: Requires insurers who issue homeowner policies to obtain a written waiver from homeowners who decline flood insurance protection

1 AN ACT

2 To enact R.S. 22:1332(D), relative to flood insurance; to require that homeowners sign a
3 form acknowledging their rejection of flood insurance; and to provide for related
4 matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 22:1332(D) is hereby enacted to read as follows:

7 §1332. Delivery of homeowners' insurance; disclosures

8 * * *

9 D.(1) If the insured declines to purchase flood insurance coverage when
10 offered under Paragraph (B)(2) of this Section, the insured shall be provided a
11 separate form, prescribed by the commissioner of insurance, confirming that the
12 opportunity to purchase flood insurance has been offered and declined by the
13 insured. The prescribed form shall be provided by the insurer and signed by the
14 named insured or his legal representative.

15 (2) The form signed by the named insured or his legal representative which
16 declines such coverage shall be conclusively presumed to become a part of the policy
17 or contract when issued and delivered, irrespective of whether physically attached
18 thereto.

1 (3) A properly completed and signed form creates a rebuttable presumption
2 that the insured knowingly declined coverage.

3 (4)(a) The form signed by the insured or his legal representative which
4 declines coverage shall remain valid for the life of the policy and shall not require
5 the completion of a new selection form when a renewal, reinstatement, substitute, or
6 amended policy is issued to the same named insured by the same insurer or any of
7 its affiliates.

8 (b) Any changes to an existing policy, regardless of whether these changes
9 create new coverage, do not create a new policy and do not require the completion
10 of a new form. For the purpose of this Subparagraph, "new policy" shall mean an
11 original contract of insurance which an insured enters into through the completion
12 of an application on the form required by the insurer.

13 (5) An insured may acquire flood insurance at any time during the life of the
14 policy by submitting the required application and any other necessary paperwork to
15 the insurer.

16 Section 2. The commissioner of insurance is hereby authorized to develop and
17 promulgate the form specified by Section 1 of this Act.

18 Section 3. The provisions of Section 1 of this Act shall become effective on January
19 1, 2015.

20 Section 4. This provisions of this Section and the provisions of Section 2 and Section
21 3 of this Act shall become effective upon signature by the governor or, if not signed by the
22 governor, upon expiration of the time for bills to become law without signature by the
23 governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed
24 by the governor and subsequently approved by the legislature, the provisions of this Section
25 and the provisions of Section 2 and Section 3 of this Act shall become effective on the day
26 following such approval.

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)]

Ivey

HB No. 723

Abstract: Requires insureds to acknowledge via a written form that they have been informed of the availability of flood insurance and declined to purchase such coverage.

Present law requires that homeowners' insurance policyholders be provided notice of the availability of flood insurance.

Proposed law retains present law but requires that the policyholder acknowledge on a written form that the policyholder has been informed of the availability of flood insurance and declined to purchase such coverage.

Proposed law provides that the form signed by the policyholder which declines coverage shall be conclusively presumed to become a part of the policy or contract when issued and delivered, irrespective of whether physically attached thereto, and, if properly completed and signed, creates a rebuttable presumption that the insured knowingly declined coverage.

Proposed law provides that the form signed by the policyholder which declines coverage shall remain valid for the life of the policy and shall not require the completion of a new selection form when a renewal, reinstatement, substitute, or amended policy is issued to the same named insured by the same insurer or any of its affiliates. Proposed law further provides that any changes to an existing policy, regardless of whether these changes create new coverage, do not create a new policy and do not require the completion of a new form.

Proposed law authorizes a policyholder to acquire flood insurance at any time during the life of the policy by submitting the required application and any other necessary paperwork to the insurer.

Proposed law authorizes the commissioner of insurance to develop and promulgate the form required by proposed law.

The provision of proposed law authorizing the commissioner to develop and promulgate the form is effective upon signature of the governor or expiration of time for gubernatorial action. All other provisions of proposed law are effective Jan. 1, 2015.

(Adds R.S. 22:1332(D))