

Regular Session, 2014

HOUSE CONCURRENT RESOLUTION NO. 199

BY REPRESENTATIVE STOKES

1 A CONCURRENT RESOLUTION

2 To urge and request the Louisiana Department of Insurance to conduct a study to determine
3 whether R.S. 22:1265 permits an insurer to consider an insured's claim that does not
4 exceed the insured's deductible to cancel coverage or raise the deductible; and if it
5 is deemed that the statute allows an insurer to consider these claims, to develop an
6 appropriate disclosure for the insurer to place on the declarations page of the policy
7 to advise the insured of the consequences of filing a claim that does not exceed the
8 deductible, and to report its findings and recommendations to the legislative
9 committees on insurance.

10 WHEREAS, R.S. 22:1265 provides that an insurer may cancel or fail to renew a
11 homeowner's policy of insurance or to increase the policy deductible when the insured has
12 made two or more claims within a period of three years; and

13 WHEREAS, R.S. 22:1265 provides that an incident shall be deemed a claim when
14 there is a demand for payment by the insured or the insured's representative under the terms
15 of the homeowner's policy of insurance, but does not define what constitutes a demand for
16 payment; and

17 WHEREAS, R.S. 22:1265 does not explicitly state that an insurer shall actually pay
18 money to the insured or on behalf of the insured before using the claim as one of the two
19 claims within a period of three years as grounds for canceling or failing to renew a
20 homeowner's policy of insurance or to increase the policy deductible.

21 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby
22 request the Department of Insurance to conduct a study to determine whether R.S. 22:1265
23 permits an insurer to consider an insured's claim that does not exceed the insured's
24 deductible to cancel coverage or raise the policy's deductible.

25 BE IT FURTHER RESOLVED that the Legislature of Louisiana requests that the
26 Department of Insurance include in its study whether an insurer should be allowed to

1 consider a claim on which it has paid no money to or on behalf of an insured as grounds for
2 canceling or failing to renew a homeowner's policy of insurance or increasing the policy
3 deductible of a homeowner's policy.

4 BE IT FURTHER RESOLVED that the Legislature of Louisiana does hereby request
5 that the Department of Insurance recommend possible amendments to R.S. 22:1265 based
6 on the findings of this study, including a definition of a demand for payment and whether
7 an insurer should be required to disclose to an insured in a prominent location on the policy's
8 declarations page that making a claim on the policy on which the insurer pays no money to
9 the insured will be deemed a demand for payment under the policy and the consequences of
10 filing a claim that does not exceed the policy's deductible.

11 BE IT FURTHER RESOLVED that such a study shall include a review of other
12 states to determine if other states allow insurers to use claims that do not exceed the insured's
13 deductible as grounds for canceling or failing to renew a homeowner's policy of insurance
14 or raising the homeowner's deductible.

15 BE IT FURTHER RESOLVED that such a study shall determine if prohibiting
16 insurers from considering claims on which no payment is made either to the insured or on
17 behalf of the insured as grounds for canceling or failing to renew a homeowner's policy of
18 insurance or increasing the homeowner's deductible would have upon the willingness of
19 insurers to continue writing homeowner's insurance policies in this state.

20 BE IT FURTHER RESOLVED that the Legislature of Louisiana does hereby request
21 that the Department of Insurance may submit its findings from this study in the form of a
22 report to the House Committee on Insurance and the Senate Committee on Insurance on or
23 before January 15, 2015.

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

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE