

Regular Session, 2010

SENATE BILL NO. 181

BY SENATOR N. GAUTREAUX

INSURANCE RATES. Provides for the use of wind zone classification area when writing new policies covering wind damage. (gov sig)

1 AN ACT

2 To enact R.S. 22:1272 and 1338, relative to insurance covering wind damage; to provide  
3 insurance coverage for wind damage in areas with the same wind zone rating; and  
4 to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 22:1272 and 1338 are hereby enacted to read as follows:

7 **§1272. Commercial property insurance; same wind zone classification**

8 **A. Each insurer providing coverage for wind damage to commercial**  
9 **property within a parish or particular area of a parish that is located in a**  
10 **particular wind zone classification shall spread its exposure to liability for wind**  
11 **damage within the same wind zone classification as provided in this Section.**

12 **B. If a policy covering damage caused by wind to a commercial property**  
13 **is terminated, regardless of the reason, then the insurer shall provide new**  
14 **coverage for damage caused by wind to another commercial property that is**  
15 **located in an area having the same classification but in which the insurer's**  
16 **exposure to liability for wind damage is less than the location where the**  
17 **termination of coverage occurred.**



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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Thomas L. Tyler.

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DIGEST

N. Gautreaux (SB 181)

Proposed law, relative to commercial and homeowners' policies, requires insurers providing coverage for wind damage within a parish or particular area of a parish located in a particular wind zone classification to spread its exposure to liability for wind damage within the same wind zone classification.

Provides that if a policy covering wind damage is terminated, regardless of the reason, then the insurer is to provide new coverage for wind damage to another property that is located in an area having the same classification but in which the insurer's exposure to liability for wind damage is less than the location where the termination of coverage occurred.

Requires that the total value of new policies written or issued reflect, as much as practicable, the total value of wind damage policies terminated so that the total value of the insurer's exposure to wind damage remains the same within the same wind zone classification.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 22:1272 and 1338)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original bill.

1. Removes prohibition that an insurer cannot refuse to provide wind damage coverage in an adjacent area of the state with the same wind zone rating.
2. Adds requirement for an insurer who terminates coverage for wind damage to then provide new coverage for wind damage in an area having the same wind zone classification but where the insurer's exposure to wind damage liability is less than the area where coverage is terminated.
3. Adds provision that total value of new policies written reflect, as much as possible, the total value of such policies terminated.