

SENATE BILL NO. 185

BY SENATOR MORRISH

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AN ACT

To amend and reenact R.S. 9:3550(B), relative to insurance premium finance companies; to provide with respect to premium finance agreements which may also include a loan agreement with the policyholder for wind mitigation retrofits to the insured property; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 9:3550(B) is hereby amended and reenacted to read as follows:

§3550. Insurance premium finance companies

* * *

B. For purposes of this Section:

(1) "Insurance premium finance company" means a person engaged in the business of entering into premium finance agreements.

(2) "License" means an insurance premium finance company holding a license issued under this Section.

(3) "Person" includes an individual, limited liability company, partnership, association, business corporation, nonprofit corporation, common law trust, joint-stock company, or any other group of individuals however organized.

(4) "Premium finance agreement" means an agreement by which an insured or prospective insured promises to pay to an insurance premium finance company the amount advanced or to be advanced under the agreement to an insurer or to an insurance agent or broker in payment of premiums on an insurance contract together with a service charge as authorized and limited by this Section. **With respect to qualified homeowners' insurance policies, a premium finance agreement may also include a separate loan agreement with the policyholder for wind mitigation retrofits to the insured property. In order to qualify, the**

1 homeowners' insurance policy shall be issued to a homeowner who has financed
2 the cost of wind mitigation retrofits with a consumer finance company licensed
3 pursuant to this Chapter, in part, for the purpose of obtaining wind mitigation
4 and other credits on his homeowners' insurance policy. Upon cancellation,
5 expiration, or nonrenewal of the qualifying homeowners' insurance policy, the
6 wind mitigation loan agreement shall continue to be administered pursuant to
7 its terms until paid in full and any cancellation, expiration, or nonrenewal of the
8 qualifying homeowners' insurance policy shall not accelerate the due date of
9 such wind mitigation loan. A premium finance agreement shall not include an
10 agreement on the part of an extender of credit to finance credit life, credit disability,
11 and credit property insurance coverage as an incident to a consumer credit
12 transaction subject to this Chapter or subject to any other applicable provision of
13 Louisiana or federal law.

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PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____