

LSLA's 2023 Regular Session End of Session Report

Overview

This session over 1,485 legislative instruments were introduced, of this 1,110 came from the House and 375 came from the Senate. As expected, this was an insurance heavy session even though it was a fiscal session limiting the number of general-purpose bills. Overall, we tracked roughly 31 instruments specific to Surplus and a few additional insurance instruments that could have been amended to affect Surplus Lines. Of the 31 instruments 15 passed and 16 failed to pass. Over the course of session many of the bills we initially opposed were amended to address our concerns or we determined would not affect surplus lines.

Passed Measures to Note

HB 110 by Firment:

- [HB 110](#) passed as ACT 12, effective August 1, 2023.
- Will require authorized insurers to replace roofs with a fortified roof if the insurer incurs damages covered by the policy.

HB 183 by Firment:

- [HB 183](#) is now ACT 364, effective August 1, 2023.
- Prohibits assignment of benefits, which we strongly supported and passed.

HB 294 by Willard & Talbot, HB 309 by Garofalo, & SB 113 by Hewitt:

- Originally, we thought these bills applied to surplus lines and we needed to amend them to clarify it does not, however after further discussion we realized it does not apply to surplus because "it applies only to insurer's that are required to submit rates and rating plans to the commissioner."
- [HB 294](#) passed as ACT 1, effective August 1, 2023. HB 294 provides for insurance premium discounts when the insured structure is built to the fortified home or fortified commercial standards. Specifically, an actuarially justified discount, credit, rate differential adjustment in deductible, or any other adjustment to reduce the insurance premium.
- HB 309 is almost identical to HB 294. It will accomplish the same intent as HB 294, however it would have applied not only to single-family dwellings, but also residential property, commercial, modular homes, and manufactured homes that may be retrofitted. HB 309 was vetoed by the Governor and then reconsidered during the Veto override session, but the vote failed to override the Governor's veto. It was highly unlikely that the Governor would have signed HB 309 because SB 113 by Senator Hewitt has already been signed by the Governor and accomplishes the same intent of HB 309.
- [SB 113](#) passed as ACT 45, effective June 1, 2023. In short SB 113 & HB 294, accomplish the intent of the final version of HB 309.

LSLA's 2023 Regular Session End of Session Report

HB 383 by Amedee:

- [HB 383](#) passed as ACT 124, effective June 6, 2023.
- Requires each insurer subject to the Louisiana Insurance Guaranty Association Law to provide for a data transfer plan and file such plan with the Commissioner of Insurance.

HB 489 by Huval & Talbot:

- [HB 489](#) passed as ACT 443, effective August 1, 2023.
- Specifically, HB 489 changes the procedure and time for rate filings. The main change is that after an insurer submits their rate change, the commissioner has 45 days to approve or disapprove of the change, if the Commissioner fails to approve or disapprove after 45 days then the change is deemed approved.

HB 511 by Illg & Talbot:

- [HB 511](#) passed as ACT 444, effective June 28, 2023.
- Provides for the claim's payments and handling for LIGA.

HB 513 by Magee & Talbot:

- [HB 513](#) will provide a tax credit for admitted insurers who also write in at least one other state where the other state charges the insurer taxes. In this situation the other state will be charged a retaliatory tax for taxing our insurers. It is still awaiting the Governor's signature.

SB 96 by Talbot & Huval:

- [SB 96](#) passed as ACT 290, effective August 1, 2023.
- Provides protection from liability and penalties for LIGA, Citizens employees and their vendors.

SB 106 by Smith:

- [SB 106](#) passed as ACT 206, effective August 1, 2023.
- Originally, SB 106 would have required insurer's to permanently maintain certain records in connection to an insured property damage insurance claim and made available to the insured upon request. We originally opposed SB 106, however, Senator Smith worked with us such that we have a neutral stance. Specifically, Senator Smith removed permanently to keeping the files while the claim is opened; modified the penalties from being under the Bad Faith statute and put it under the unfair trade practices statute; modify terms to be more in line with industry, such as records to claims file.

SB 143 by Henry:

- [SB 143](#) passed as ACT 47, effective August 1, 2023.
- Allows the Commissioner to prohibit officers/directors of failed insurers to do business in Louisiana under a new insurer for 2 years.

LSLA's 2023 Regular Session End of Session Report

SB 156 by Duplessis:

- [SB 156](#) passed as ACT 328, effective August 1, 2023.
- Originally, SB 156 would have prohibited all insurance companies from using language to prohibit a policyholder from hiring a public adjuster. We were able to successfully exclude commercial surplus lines policies from this prohibition.

SB 190 by Smith:

- [SB 190](#) passed as ACT 104, effective August 1, 2023.
- Requires policyholders to approve the release of funds from an insurer to a contractor.

SCR7 by Tablot & Stefanski:

- [SCR 7](#) urges the Commissioner of Insurance to create the Hurricane Mitigation Commission to study the handling of property insurance claims in the wake of hurricanes.

Failed to Pass Measures of Note

Overall, we had numerous bills we opposed and only one bill we strongly supported that failed to pass. We strongly supported HB 601, also known as the Bad Faith Penalty bill. HB 601 would have provided much needed clarification in the Bad Faith statutes by clearly defining what constitutes satisfactory proof of loss. Multiple factors contributed to HB 601 failing to pass.