

HURRICANE MITIGATION COMMISSION

(SCR 7 - 2023)



Report to the Legislature

March 4, 2024

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Report of the Hurricane Mitigation Commission / SCR 7 - 2023

February 26, 2024

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I. INTRODUCTION

The Louisiana Legislature, recognizing the need to address the challenges posed by hurricanes and their aftermath, passed [Senate Concurrent Resolution No. 7](#), establishing the Hurricane Mitigation Commission. This commission was tasked with studying various aspects of property insurance claims handling, the practices of insurance claim adjusters, and the necessity of catastrophe savings accounts, among other things. The following report outlines the commission's findings and recommendations, aimed at enhancing the state's resilience in the face of natural disasters.

II. REVIEW OF REASONS FOR ESTABLISHMENT

The resolution highlighted several critical reasons necessitating the establishment of the Hurricane Mitigation Commission:

- Ensuring a viable private sector market for property insurance in the state.
- Addressing insurers' need to reduce exposure to hurricane losses.
- Facilitating access to reliable property insurance for homeowners and facilitating real estate transactions.
- Protecting public health, safety, and welfare by expediting repairs and reconstruction after hurricanes.
- Addressing insolvency risks among property insurers.
- Exploring alternatives to traditional court proceedings for insurance claim settlements.
- Ensuring fair and efficient practices among property insurance claim adjusters.
- Assessing the potential benefits of catastrophe savings accounts in offsetting repair costs for residents affected by hurricanes.

III. MEMBERSHIP

- John Walsh* (representing the Governor's Office)
- Rep. Mike Huval (House Committee on Insurance)
- Sen. Kirk Talbot (Senate Committee on Insurance)
- Manuel DePascual (representing Commissioner of Insurance)
- John Wells (LA Insurance Guaranty Association)
- Richard Newberry (Louisiana Citizens Property Insurance Corporation)
- Allen Bares (representing the American Property Casualty Insurance Association)
- Lisa Pierce (representing the National Association of Mutual Insurance Companies)

- Benjamin Albright (Independent Insurance Agents & Brokers of Louisiana)
- Louis G. Fey, Jr. (representing Professional Insurance Agents of Louisiana)
- Kirk A. Guidry, Sr. (representing Louisiana Association for Justice)
- Doug Wertz (representing the Louisiana Claims Association)
- Galen Hair, Esq. (representing the American Adjuster Association)
- Bill Schulenberg (representing the National Association of Independent Insurance Adjusters)

**original designee of Governor was Patrick Forbes*

IV. SUMMARY OF MEETINGS HELD

The Hurricane Mitigation Commission convened a series of meetings to deliberate on the issues outlined in the resolution. Discussions were comprehensive, involving stakeholders from various sectors, including government agencies, insurance companies, industry associations and advocacy groups. Each meeting focused on specific aspects of the commission's mandate, gathering insights, data and expertise to inform the formulation of recommendations.

Meetings were held July 20, 2023, August 24, 2023, November 21, 2023, and February 16, 2024. Recommendations were made and the members voted on their approval or disapproval before they were included in this report.

V. RECOMMENDATIONS

The following section will present the recommendations proposed by the Hurricane Mitigation Commission, drawing upon the insights gained from its meetings and research. These recommendations aim to address the challenges identified and enhance Louisiana's preparedness and resilience in mitigating the impacts of hurricanes on property insurance claims handling, adjuster practices and disaster recovery efforts.

Recommendation #1

Maintain and update the Louisiana State Uniform Construction Code

Modern construction codes increase resilience in the face of hurricanes and other wind events. The FORTIFIED construction method promoted by the [Insurance Institute for Business and Home Safety \(IBHS\)](#) provides enhanced protection from wind damage. The Louisiana Insurance Code, [La.R.S.22:1483](#), mandates actuarially justified discounts for property owners who meet

certain requirements of the Louisiana State Uniform Construction Code or the FORTIFIED designation program.

The Louisiana State Uniform Construction Code Council (LSUCCC) should:

- Continue regular updating of the construction code to reflect improvements in building science.
- Incorporate FORTIFIED construction methods into the state's construction code.
- Create a Coastal Construction Code.
- Create hail prone area building standards for hail resistant roofs.

Recommendation #2

Continue the Louisiana Fortify Home Program

The Louisiana Fortify Homes Program (LFHP) provides grants to upgrade homes to the FORTIFIED Roof® standard of the Insurance Institute for Business and Home Safety (IBHS). In Fiscal Year 2023-2024, it will distribute almost \$30 million in grants, which do not exceed \$10,000 for each roof. The LFHP has a termination (sunset) date of June 30, 2025, in [La.R.S.22:1483.1\(F\)](#).

The Strengthen Alabama Homes program, which is the pattern for the LFHP, has a dedicated funding source from a portion of the fees collected by the Alabama Department of Insurance. The Alabama program also has a full-time staff to review and approve grant applications, which includes three employees to process approximately 1,500 grants this year.

A sustained program will require funds for staff and operations. To process between 2,000 to 3,000 grant applications each year will require four full-time staff. The operations of the LFHP rely on a robust online application and processing system that connects applicants to the evaluators and contractors through a central portal overseen by the LFHP staff. As the LFHP continues, the software will need updating and maintaining. There are features that would make administration faster and more efficient.

The Legislature should:

- Repeal the LFHP sunset date of June 30, 2025.
- Appropriate sufficient funds for LFHP staffing and operations.
- Create a sustainable and dedicated funding source for the LFHP.
- Increase the “construction code retrofitting deduction” in [La.R.S.47:293\(2\)\(b\)](#) from \$5,000 to \$10,000.
- Modify current Fortify statute to allow for “geographically appropriate” fortification.

Recommendation #3

Enact a State Catastrophe Savings Account Law

Some coastal states have enacted catastrophe savings account laws to provide the opportunity for property owners to set aside money for expenses related to natural disaster events. In the 2023 Regular Session, Representative Firment introduced [HB 126](#), which would have created catastrophe savings accounts for the payment of qualified catastrophe expenses related to windstorm events. The catastrophe savings accounts envisioned in [HB 126](#) would be tax-exempt under state law, but not under the Internal Revenue Code. Representative Firment also introduced [HCR 55](#), which memorialized Congress to enact federal legislation to make catastrophe savings accounts tax-advantaged under federal law.

The Legislature should:

- Enact a catastrophe savings account law similar to [HB 126](#) of 2023.
- Memorialize Congress to enact federal catastrophe savings account legislation.

Recommendation #4

Create a requirement for notice to an insurer to cure any failure or omission before filing a lawsuit.

Under current law, policyholders may file a lawsuit seeking payment under the terms of an insurance policy at any time prior to prescription of the claim. Sometimes a lawsuit is the first notice of a claim. Litigation should not be a substitute for the ordinary process of adjusting a claim.

The notice to an insurer would provide the following:

- ✓ Sufficient time to cure any violation of law or contract.
- ✓ A statement of the provisions of law or contract, including specific language, that the insurer violated.
- ✓ A statement of the facts and circumstances giving rise to the violation.
- ✓ The name of any person involved in the violation.
- ✓ A statement that the notice is given to perfect the right to pursue a civil action.
- ✓ Other requirements provided by law or regulation.

The Legislature should:

- Require a notice to insurers of any failure or omission to properly adjust a claim as a prerequisite to filing a civil action for the failure to properly adjust a claim.

Recommendation #5

Provide for a Separate and Subsequent Civil Action for Additional Damages for Failure to Properly Adjust a Claim

The presentation of evidence of claim handling during the litigation of the merits of the claim tends to prejudice the insurer-defendant by the introduction of evidence of “bad faith” in the adjustment of a claim. The prejudicial effect of a bad faith claim outweighs the “judicial economy” of trying the claim for indemnification and the claim for bad faith damages at the same time.

The Legislature should:

- Provide for a separate and subsequent civil action for damages for failure to properly adjust a claim.
- Require that an action for damages may only be filed if the policyholder takes a claim to final judgment before a judge or jury, not a compromise settlement.

Recommendation #6

Regulate Third-Party Litigation Funding

The rise of third-party litigation funding (TPLF) has become an issue for several reasons. Defendants may not know who has a financial interest in and decision-making influence or authority for a cause of action. The practice of investor financing of litigation on a mass scale creates parties with an interest in the outcome of litigation who are unknown and unaccountable to the bar and the courts.

States have enacted or are considering laws to regulate TPLF. Some federal courts have local rules or standing orders regarding disclosure of third-party interests in litigation.

The Legislature passed the Litigation Financing Disclosure and Security Protection Act, [SB 196](#) of the 2023 Regular Session, by Senator Barrow Peacock, which the governor vetoed.

The Legislature should:

- Enact legislation similar to [SB 196](#) of the 2023 Regular Session to regulate the business of third-party litigation finance.
- Enact legislation similar to [Texas Government Code §82.0651](#), Civil Liability for Prohibited Barratry, to permit civil actions against those who commit violations of law or Rules of Professional Responsibility regulating barratry or the practice of offering something of value to induce the filing of a lawsuit.

Recommendation #7

Modify the “Three-Year Rule” with Protections for Current Policyholders

The “three-year rule” of [R.S. 22:1333\(C\)](#) is an obstacle to attracting new homeowners insurers and to efficiently deploying capital for current homeowners insurers in this state. The rule provides in pertinent part that:

“No insurer providing property, casualty or liability insurance shall cancel or fail to renew a homeowners policy of insurance or to increase the policy deductible that has been in effect and renewed for more than three years unless based on nonpayment of premium, fraud of the insured, a material change in the risk being insured, two or more claims within a continuous three-year period of time within the five years preceding the current policy renewal date, or if continuation of such policy endangers the solvency of the insurer.”

Homeowners with hard to insure properties who rely on the three-year rule to maintain quality insurance should not have the protections withdrawn in the near future, but the rule should terminate for others. A better path to available and affordable insurance is through competition, which the rule prevents. Homeowners have little incentive to shop for better rates or coverage. Insurers have a legacy book of business that they cannot reduce in search of more favorable risk in this state.

The Legislature should:

- Modify the three-year rule of [La.R.S. 22:1333\(C\)](#), so it does not apply to new policies written on or after January 1, 2025.
- Permit an insurer with a legacy portfolio to annually non-renew 2.5% of its book of business.
- Permit an insurer with a legacy portfolio to adjust deductibles up to 5%.

Recommendation #8

Define Bad Faith

The term "bad faith" can be ambiguous and needs to be defined legislatively to provide clear and specific guidelines for what constitutes unacceptable behavior by insurance companies. Without a precise legal definition, there could be ambiguity and uncertainty surrounding the obligations and responsibilities of insurers. Legislative definitions help ensure consistency in interpretation and application of the law, provide clarity for both insurers and policyholders, and establish a framework for legal recourse in cases of alleged bad faith conduct.

The Legislature should:

- Define the term “bad faith” to provide clear and specific guidelines for what constitutes unacceptable behavior by insurance companies.

Recommendation #9

Assess Fines for Inflating or Deflating Claims

Intentionally inflating or deflating insurance claims can have severe repercussions for insurance professionals and the broader insurance industry, including legal consequences, impact on policyholders, financial loss, regulatory sanctions, industry integrity, etc. It's imperative for insurance professionals to uphold ethical standards and adhere to legal and regulatory requirements to maintain the integrity of the insurance market and protect the interests of policyholders.

The Legislature should:

- Enact legislation that would assess fines and penalties upon insurance professionals, i.e. carriers, employees of carriers, adjusters, vendors or appraisers, for intentionally inflating or deflating claims.

Recommendation #10

Shield the Louisiana Citizens Property Insurance Corporation from Bad Faith Penalties

The Louisiana Citizens Property Insurance Corporation (Citizens) is the insurance of last resort and is state mandated to be more costly than private property insurance companies.

Citizens is a nonprofit organization created to provide insurance products for residential and commercial property applicants who are in good faith entitled, but unable, to procure insurance through the voluntary insurance marketplace. As such, it stands to reason that Citizens would have no motive to act in bad faith and should not be subject to bad faith penalties.

The Legislature should:

- Enact legislation that shields the Louisiana Citizens Property Insurance Corporation from any bad faith penalties.

Recommendation #11

Cap on Agency Fee / Reasonable Fee

The provision outlined in [La.R.S.22:855\(B\)\(2\)\(b\)](#) pertains to the limitation of agency fees concerning personal lines and homeowners insurance. Rather than being restricted to a fixed sum of \$25, it is proposed that the statute stipulate agency fees as being reasonable, subject to determination by the commissioner of insurance through established rules.

The Legislature should:

- Amend [La.R.S.22:855\(B\)\(2\)\(b\)](#) to be rephrased in part to read ... “Agency fees for criminal bail bond, homeowners insurance, or personal automobile insurance that are standard risks insurable at standard rates shall not exceed ~~twenty-five dollars~~ a reasonable fee as determined by the commissioner by rule.”

Recommendation #12

Licensure of Roofers

It is currently not required for roofers to be licensed in Louisiana. Many feel that licensing roofers would be very beneficial for our state. Overall, while licensing requirements may impose some additional burdens on roofers, the potential benefits in terms of consumer protection, quality assurance and industry professionalism are often seen as outweighing the costs.

The legislature should:

- Enact legislation that requires licensure for roofers, emphasizing enhanced consumer protection and elevated standards of professionalism within the industry.

VI. NEXT STEPS

While the recommendations listed in the resolution may not encompass all the topics mentioned for study, it's crucial to acknowledge that ongoing examination and analysis of these subjects addressed by the Hurricane Mitigation Commission will be continued by and remain a priority for the Louisiana Property and Casualty Insurance Commission (LPCIC). The LPCIC will continue to diligently study areas such as insurance coverage availability, pricing structures, regulatory oversight effectiveness, and consumer protection measures to ensure comprehensive understanding and informed decision-making in the realm of property and casualty insurance regulation.

VII. APPENDIX

In an effort to determine what worked for other states, the Hurricane Mitigation Commission reviewed statutes from Florida pertaining to property insurance. Below are summaries from the pieces of legislation that were reviewed in the commission meetings.

Summary of Florida Chapter Law 2022-271/SB 2-A Property Insurance

Page	Section Bill/FL Statutes	Summary
3	1/215.5552	Florida Optional Reinsurance Association (FORA)
9	2/624.1551	Civil remedy actions against property insurers. Provides for second suit for bad faith/extracontractual damages. Requires taking a suit to judgment.
9	3/624.3161(7)	Market conduct examinations. Adds criteria for examinations of top 20% of insurers based on ratio of claims or complaints to hurricane-related claims or significant payments to MGA. Provides for exam of MGA.
10	4/624.418(2)(c)(2)	Suspension or revocation of C of A for compelling insureds to participate in appraisal to secure full payment or settlement.
10	5/624.424(10)(a)	Annual statement and other information filings. Adds to current supplemental annual and quarterly report requirements the reporting of monthly open, closed, and pending claims by county. Also adds reporting of claims in which either party invoked ADR and type of ADR. Current law requires reporting on a county and monthly basis for numbers of policies in force, canceled, nonrenewed, canceled or nonrenewed due to hurricane risk, new policies written, and total dollar value of structure exposure under policies that include wind coverage.
11	6/626.9373(1)&(3)	Eliminates right to attorney fees for residential or commercial property claims against a surplus lines insurer.
11	7/626.9541(1)(i)	Unfair claim settlement practices. Reduces time to pay undisputed amount of property claim from 90 to 60 days, unless delayed by “factors beyond control of the insurer.”
13	8/627.351(6)	Citizens
27	8/627.351(6)	Citizens eligibility requires authorized premium 20% higher than Citizens premium.
36	8/627.351(6)	New and renewal personal lines residential on and after November 1, 2023, which does not cover a primary residence is not subject to rate increase limitations. “Primary residence” is means primary home of owner or renter occupied more than 9 months of each year.
42	8/627.351(6)	Flood insurance requirement for personal lines residential insurance from Citizens.
43	8/627.351(6)	Implementation schedule: January 1, 2024, for property valued at \$600,000; 2025 for \$500,000; 2026 for \$400,000; 2027 for all others.
43	8/627.351(6)	All new personal lines residential insurance policies in a special flood hazard area must have flood insurance on or after April 1, 2023, and before renewal for those renewing on or after July 1, 2023.
43	8/627.351(6)	Policyholders who do not have wind coverage are not required to have flood insurance.
44	8/627.351(6)	Citizens policyholder making a claim for water damage has the burden of proving that the damage was not caused by flooding.
44	9/627.351(6)	Citizens attorney fee liability removed
45	10/627.3511	Citizens depopulation
46	11/627.3518(5)	Citizens policyholder eligibility clearinghouse program

Summary of Florida Chapter Law 2022-271/SB 2-A Property Insurance, cont'd.

47	12/627.410(3)	Filing and approval of policy forms: FLOIR, after a market conduct exam indicating a pattern or practice of violations regarding the use of appraisals, may withdraw approval of forms, prohibit the insurer from invoking appraisal for up to 2 years.
47	13/627.428(1)&(4)	Eliminates the right to attorney fees for recovery of disputed claim amount on a property policy.
48	14/627.7011(4)(b)	Flood insurance notice for homeowners' policy not providing flood coverage.
48	15/627.70131	Insurer's duty to acknowledge communications
49	15/627.70131(1)(a)	Reduces time to acknowledge receipt of a communication from the insured from 14 to 7 calendar days.
49	15/627.70131(3)(a)	Reduces time to begin investigation from receipt of proof of loss statements from 14 to 7 days.
49	15/627.70131(3)(b)	For a physical inspection, the adjuster must provide the policyholder with a printed or electronic document with name and adjuster license number. Insurer must conduct any physical inspection within 30 days after receipt of proof of loss statements, reduced from 45 days.
49	15/627.70131(3)(c)	Subsequent communications regarding the claim require the name and license number of the adjuster communicating about the claim.
49	15/627.70131(3)(d)	Insurer may use electronic means of investigation including drones.
49	15/627.70131(3)(e)	Insurer must send a copy of any detailed estimate within 7 days of the adjuster generating it if one is created.
50	15/627.70131(4)(a)	Insurer shall maintain a log of each adjuster who communicates with the policyholder regarding a physical inspection and provide a list to the FLOIR or insured upon request.
50	15/627.70131(4)(b)	Claim records including dates of communications; receipt of proof of loss statements; request for claim information directed to the insured; claim related inspections by insurer including those by electronic means; any detailed estimate of loss by the adjuster; any tolling periods; the payment or denial of the claim.
50	15/627.70131(5)(a)	Definition of "factors beyond the control of the insurer" listing factors that could impede claims investigation, but the factors may not extend any period for more than 30 additional days. Definition includes actions by the policyholder or representative that reasonably prevent complying with requirements.
51	15/627.70131(7)(a)	Reduces time to pay a property claim—initial, reopened, or supplemental—from 90 to 60 days, unless delayed by factors beyond the control of the insurer. Detailed explanation for denial. Late payment bears interest as stated in the provision.
51	15/627.70131(8)(a)	Tolling of requirements of the section during the pendency of mediation pursuant to statute or any ADR pursuant to the policy. Tolling ends upon the end of the proceeding.
51	15/627.70131(8)(b)	Tolling of requirements of the section during the failure of a policyholder or representative to provide material claims information requested by the insurer within 10 days after receipt of the request. The tolling period ends upon the insurer's receipt of the requested information. Tolling only applies to requests sent at least 15 days before a requirement to pay or deny pursuant to the provision on page 89, line 2579.
52	16/627.70132(2)	A property insurance claim or reopened claim is barred unless notice of the claim was given to the insurer within 1 year (formerly 2 years) of the date of loss.

52	16/627.70132(2)	A supplemental claim is barred unless notice is given to the insurer within 18 months (formerly 3 years) of the date of loss.
52	17/627.70152	Changes to definitions and notices relative to suits under a residential or commercial insurance policy. Eliminates attorney fees.
53	18/627.70154	Mandatory binding arbitration may not be required unless: arbitration is in a separate endorsement attached to the policy; premium includes an actuarially sound credit or discount for the endorsement; policyholder signs an election accepting arbitration endorsement, which includes a notice of rights waived such as a jury trial; and the endorsement establishes that the insurer will comply with statutory mediation before arbitration. The insurer must offer a policy that does not require mandatory binding arbitration.
54	19/627.7074	Procedures relative to sinkhole claims
55	20/627.7142	Homeowner Claims Bill of Rights—changes to reflects changes in the law
57	21/627.7152(13)	For a property policy issued or renewed on or after January 1, 2023, assignment agreements are prohibited and unenforceable.
58	22/627.7154	Property Insurer Stability Unit; duties and required reports

Summary of Florida Chapter Law 2022-268/SB 2-D Property Insurance

Page	Section Bill/FL Statutes	Summary
3	1/215.5551	Reinsurance to Assist Policyholders Program (RAP)
9	2/--	Mandatory rate reductions for insurers participating in RAP. Expedited review of reduced rate filings.
9	3/215.5586(2)(a) & (b) & (10)	My Safe Florida Home Program
11	4/--	Appropriations for My Safe Florida Home Program
11	5/489.147(1)(a)	Prohibited Property Insurance Practices—“Prohibited advertisement” means any communication by a contractor that encourages contacting a contractor or public adjuster, if it does not state: the consumer is responsible for the payment of any deductible; it is insurance fraud for a contractor to waive all or part of a deductible; and it is insurance fraud to file a claim with false, incomplete, or misleading information.
12	6/624.1551	Enacts a provision to require that a claimant must establish that a property insurer breached the insurance contract to prevail in a claim for extracontractual damages.
12	7/624.307(4)(b)	The FLOIR shall publish certain required orders, data, and reports in a timely fashion.
13	8/624.313(1)(j)	Requires the FLOIR to provide an annual report on the availability of reinsurance to domestic insurers selling HO and condo unit insurance.
13	9/624.315(1)(c) & (2)(n)	Annual report on property insurer impairments and insolvencies.
13	10/624.424(10)	Supplemental annual and quarterly statement information reporting on a county and monthly basis for numbers of policies in force, canceled, nonrenewed, canceled or nonrenewed due to hurricane risk, new policies written, and total dollar value of structure exposure under policies that include wind coverage.
14	11/626.9373(3)	Prohibits assignment of the right to attorney fees.
15	12/627.428(4)	Prohibits assignment of the right to attorney fees.
15	13/627.701(2)(c), (4)(d) & (e), & (10)	Special provisions for personal lines residential policies with separate roof deductibles.
18	14/627.7011	Special provisions for personal lines residential policies with separate roof deductibles.
19	15/627.70131	Insurer’s duty to acknowledge communications regarding claims; investigation.—An insurer must conduct a physical inspection within 45 days after receipt of proof of loss statements unless a hurricane claim. Right to detailed estimate, if created. Explanations for denials or partial payments.
20	16/627.70152	Court may award attorney fees to the insurer upon securing a dismissal under certain circumstances. Lodestar fee.
21	17/627.7142	Conforming changes to bill of rights
23	18/627.7152	Changes to rules on assignment agreements. Superseded by 2022-271
26	19/627.7154	Property Insurer Stability Unit. Creation, required reports, etc.
30	20/631.031(1)	Report by FLOIR regarding details of any insolvency or rehabilitation.
30	21/631.398	Prevention of insolvencies—Reports regarding domestic insolvencies.

Summary of Florida Chapter Law 2023-172/SB 7052 Insurer Accountability

Page	Section Bill/FL Statutes	Summary
2	1/624.115	Referral of criminal violations
3	2/624.307(10)(b)	Response of licensees to division of consumer services communications within 14 days. Increases administrative penalties.
3	3/624.315(4)	FLOIR annual and quarterly reports detailing regulatory actions
4	4/624.316(2),(3),(4), & (5)	Examinations of high-risk insurers at least every three years; of average and low-risk insurers every five years. Risk-based selection for exam schedule and risk-focused analysis.
5	5/624.3161(7),(8), & (9)	Market Conduct Examinations of residential insurers post hurricane. Scheduling and conducting market conduct examinations.
10	6/624.4211	Administrative fine in lieu of suspension or revocation. Increases some fines for non-willful violations. Adds and increases fines for knowing and willful violations. For emergencies, \$200k to aggregate \$1 million. Nonemergency claims, \$100k to aggregate \$500k arising out of the same action. Restitution and failure to make restitution are knowing and willful violations.
11	7/624.4301	Notice of temporary discontinuance of writing new residential property insurance policies. Nonemergency—20 business days before the effective date on a form from the commission or 5 business days before notifying agents. Does not apply to an approaching hurricane or other natural emergency for up to 72 hour after the hurricane or emergency is no longer present. Does not require prior approval of suspensions.
12	8/624.805	Hazardous insurer standards. Criteria for assessing hazardous insurers. Immediate final orders to require certain actions by hazardous insurer.
16	9/624.81(11)	Deletes former provision on rules to define hazardous insurer.
16	10/624.865	Authority to make rules relative to administrative supervision.
16	11/628.8015(2)(d) & (3)(b)	A hazardous insurer may be required to file an ORSA, CGAD.
19	12/626.207(3)(c)	Disqualification of applicant and licensees. Extends 7-year disqualifying period to any misdemeanor directly related to any violation of the Florida Insurance Code.
20	13/626.9521(2) & (3)	Unfair methods and unfair or deceptive acts or practices: increase certain penalties--\$100k for willful violation and \$500k aggregate; \$200k and \$1 million aggregate during emergencies. Other increases.
21	14/626.9541(1)(i) & (w)	Unfair competition and unfair or deceptive acts or practices: altering or amending an insurance adjuster's report without providing detailed explanation for the change and including a detailed list of all changes or retaining all versions of the report. Prohibits certain bonus payments while an insolvency or impairment exists. Defines "bonus". Provides that it is a felony.
23	15/626.989	Reporting of criminal referrals pursued or declined.

25	16/627.0629(1),(3), & (4)	Effective October 1, 2023, each insurer subject to residential property rate filing rules shall post its hurricane mitigation discounts on its website.
26	17/627.351(6)(II)	Citizens may not determine that a risk is ineligible for coverage with the corporation solely because such risk has unrepaired damage caused by a covered loss that is the subject of a claim that has been filed with the FIGA. This paragraph applies to a risk until the earlier of 24 months after the date the FIGA began servicing such claim or the FIGA closes the claim.
26	18/627.410(4)	FLOIR may not exempt from approval forms from an insurer that is determined to have violated any provision of the Code for a period of 36 months after the date of the order.
26	19/627.4108	Requirement for residential property insurers to create and use claims-handling manuals
28	20/627.4133(2)	Cancellation of residential policy by authorized insurer: for 90 days after the property has been repaired after damage by hurricane or wind subject of an emergency declaration or until the earlier of the repair or 1 year after the issuing of the final claims payment if damaged by a covered peril.
27	21/627.701(10)(a)	Liability of insureds; coinsurance; deductibles. When a roof deductible is applied, no other deductible may be applied to any other loss from the same covered peril.
30	22/627.70132(2)	Notice of property insurance claim. Time limits are tolled during deployment.
30	23/--	Not intended to be retroactive.
31	24/--	Residential and auto rate filings pending or made on or after July 1, 2023, must reflect the projected savings or reductions from certain laws passed in the preceding two years. FLOIR must consider these laws in reviewing rate filings.
31	25/--	\$2 million appropriation to implement with 18 FTE positions for FY 23-24.
31	26/--	\$600k appropriation for 7 FTE positions for FY 23-24.



HURRICANE MITIGATION COMMISSION



REPORT TO THE LEGISLATURE

MARCH 4, 2024



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