



LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON
COMMISSIONER

BULLETIN NO. 09-06

TO: ALL PROPERTY AND CASUALTY INSURERS

FROM: JAMES J. DONELON, COMMISSIONER

**RE: EXTENSION OF TIME PERIOD FOR INSURED'S TO EFFECTUATE
REPAIRS TO DAMAGED PROPERTY CAUSED BY HURRICANE
GUSTAV OR HURRICANE IKE AND RECEIVE FULL RECOVERY
FOR REPLACEMENT COST**

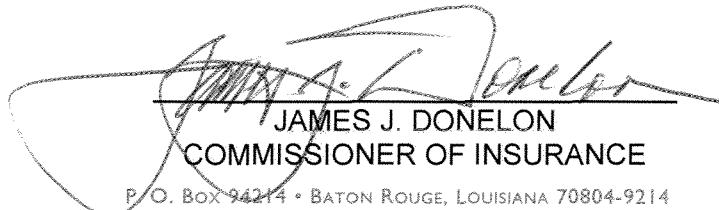
DATE: MARCH 12 2009

Due to the devastation inflicted upon Louisiana by Hurricane Gustav and Hurricane Ike, questions have arisen with regard to the insured's entitlement to receive full recovery for the replacement cost for damages caused to property insured by a personal or commercial property insurance policy. It has been brought to the attention of the Commissioner of Insurance ("Commissioner") of the Louisiana Department of Insurance ("Department") that some insurers may attempt to not make an otherwise required payment to the insured for the replacement cost for damages to property covered by the policy by attempting to impose upon the insured the obligation to effectuate the necessary repairs to the insured property within six (6) months of the date of the claim.

The Commissioner issues Bulletin 09-06 to remind insurers of the provisions of LSA-R.S. 22:1264(B) which states the following: "For losses that arose due to a catastrophic event for which a state of disaster or emergency was declared pursuant to law by civil officials, for those areas within the declaration, any policyholder with replacement cost provisions shall be entitled to complete repairs to the property within one year from the date of the loss or the issuance of applicable insurance proceeds, whichever is later. Adherence to this provision shall entitle the policyholder with a replacement cost provision to receive full value of the covered damage that has been repaired, without reduction due to depreciation."

Accordingly, any insured with a replacement cost provision in his or her personal or commercial insurance policy who suffered a qualified loss under LSA-R.S. 22:1264(B) caused by Hurricane Gustav or Hurricane Ike shall have one year from the date of loss or one year from the date of the issuance of the applicable insurance proceeds, whichever is later, in which to complete necessary repairs to the damaged property and shall be entitled to receive full value of the cost of the repairs to the insured property without reduction due to depreciation.

Baton Rouge, Louisiana this 12th day of March, 2009.


JAMES J. DONELON
COMMISSIONER OF INSURANCE