

Directive No. 53

**HOMEOWNERS — 84 PROGRAM — PROPERTY  
INSURANCE ASSOCIATION OF LOUISIANA AND  
INSURANCE SERVICE OFFICE — FILING H84-RLA1**

February 28, 1985

Apparently there is some confusion among insurers as to the application of the provisions of the filing identified above. The purpose of this Directive is to establish a uniform method of application of those provisions and one which is in conformity with Louisiana law.

The Property Insurance Association of Louisiana, acting in concert with Insurance Services Office, filed a new homeowners' policy program identified as Filing #H84-RLA1 in mid 1984. That filing was heard and approved by the Commissioner of Insurance and the Louisiana Insurance Rating Commission at the August 1984 regular monthly meeting of the Commission. At that same time, the Commissioner of Insurance adopted as minimum standard provisions for all homeowners' policies in this state those provisions of Filing H84-RLA1. The effective date of approval was February 1, 1985.

By law (Louisiana R.S. 22:1405B) all companies that write fire insurance in this state are members of the Property Insurance Association of Louisiana. That rating organization files rates and forms on behalf of all of its members. The members are then required to adhere to the filings of the Association, or file independently for approval or disapproval of independent rates or forms, or deviations as authorized by Louisiana R.S. 22:1410. Further, the Commissioner of Insurance is authorized to approve any provision of a policy that is, in his opinion, more favorable to the insured than required standard provisions or any optional standard provisions (Louisiana R.S. 22:623). The Commissioner of Insurance took that action to expand certain coverages when he approved filing #H84-RLA1.

For insurers to refuse to interpret outstanding policies of homeowners' insurance as affording the new coverages constitutes a violation of Louisiana R.S. 22:652 which reads as follows:

LOUISIANA INSURANCE REGULATIONS

"No insurer shall make or permit any unfair discrimination in favor of particular individuals or persons, or between insureds or subjects of insurance having substantially like insuring risks, and exposure factors, or expense elements, in the terms or conditions of any insurance contract, or in the rate or amount of premium charged therefore, or in the benefits payable or in any other rights or privileges accruing thereunder. This provision shall not prohibit fair discrimination by a life insurer as between individuals having unequal life expectancies."

In view of the above, I am directing that all insurers interpret outstanding homeowners' policies as affording the broader coverages of H84-RLA1 as respects all claims that may occur and arise on and after February 1, 1985.

Please be guided accordingly.

Sherman A. Bernard  
COMMISSIONER OF INSURANCE