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CHANGES

The filing revises various Louisiana windstorm or hail endorsements in response to 2022 LA. Laws ch. __ (former S.B. 168). This filing revises Louisiana state exceptions to reflect the revision of Louisiana Windstorm or Hail Percentage Deductible and Multiple Deductible endorsements in companion filing LA22-06 (CF-2022-OWH1).

COMPANY ACTION

If you have authorized us to file on your behalf and decide:

- To use our revision and effective date, you are NOT required to file anything with the Louisiana Department of Insurance.
- To use our revision with a different effective date, to use our revision with modification, or to NOT use our revision, you must make an appropriate submission with the Louisiana Department of Insurance.

In all correspondence with the Louisiana Department of Insurance regarding this revision, include the PIAL and/or State Filing Designation Number.

MANUAL DISTRIBUTION

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33. DEDUCTIBLE

Paragraph **D.** is replaced by the following:

- D.** Subject to Paragraph **E.1.**, use Louisiana Deductibles By Location Endorsement **CP 03 33** when fixed-dollar deductibles will be applied at each location in the event that one occurrence results in loss at more than one location. (This endorsement differs from Louisiana Multiple Deductible Form **CP 03 32**, under which only the highest deductible applies when an occurrence results in loss at multiple locations.)

In the Schedule of Endorsement **CP 03 33**, show applicable locations and corresponding deductibles. If a location is not shown in the Schedule, Endorsement **CP 03 33** will not apply to that location. For the purpose of this endorsement, a location may consist of an entire site or a separate building, depending on the description entered in the Schedule. The amount of the deductible may be the same for all locations or may vary by location. All property at a particular location is subject to the same deductible for a particular cause of loss. The deductibles for Windstorm Or Hail and/or Theft may vary from other causes of loss.

Endorsement **CP 03 33** does **not** apply to Earthquake or Flood.

When Endorsement **CP 03 33** is used, multiply the otherwise applicable rates by a factor of 0.995. For deductibles in excess of the base deductible, also multiply by the appropriate factors in Rule **81**. Factors apply multiplicatively.

The following is added to Rule **33.**:

E. Application Of Deductible

1. For policies with a total insured value of less than twenty million dollars that insure property located in Louisiana, if a separate Windstorm Or Hail deductible amount is indicated for a location and there is loss or damage to such building location(s) caused by windstorm or hail resulting from a named storm or hurricane, the deductible for Windstorm Or Hail applies to all named storms or hurricanes which occur during the same calendar year.

A hurricane or named storm is a storm system that has been declared to be a hurricane or named storm by the National Hurricane Center of the National Weather Service (hereafter referred to as NHC). Under the terms of this endorsement, a hurricane or named storm begins at the time a Watch or Warning is issued by the NHC for the area in which the affected premises are located and ends 72 hours after the termination of the last Watch or Warning issued for that area by the NHC.

2. The Windstorm Or Hail deductible is calculated anew in each calendar year. If the policy period does not coincide with the calendar year, then a separate Windstorm Or Hail deductible(s) will apply to loss or damage that occurs during each calendar year in which the policy is in force. For example, if the policy period is from July 1 of calendar year 1 to June 30 of calendar year 2, a separate Windstorm Or Hail deductible(s) applies to loss or damage occurring from July 1 to December 31 of calendar year 1 and to loss or damage occurring from January 1 to June 30 of calendar year 2.
3. When windstorm or hail resulting from a named storm or hurricane results in loss or damage that exhausts the Windstorm Or Hail deductible, then that deductible will not apply to windstorm or hail loss or damage from a subsequent named storm(s) or hurricane(s) in the same calendar year. In such case, the deductible that applies to fire will apply to windstorm or hail loss or damage from each subsequent named storm or hurricane in that calendar year.
4. When windstorm or hail resulting from a named storm or hurricane results in loss or damage that does not exhaust the Windstorm Or Hail deductible, then the deductible applicable to windstorm or hail loss or damage resulting from a subsequent named storm(s) or hurricane(s) in the same calendar year will be the greater of the:
 - (a) Deductible that applies to fire; or
 - (b) Remaining amount of the Windstorm Or Hail deductible.

In this situation, the remaining amount of the Windstorm Or Hail deductible is determined by subtracting the amount(s) of the aforementioned loss or damage from the Windstorm Or Hail deductible.

F. Recordkeeping Requirement – Calendar Year Windstorm Or Hail Percentage Deductible

The Company will inform the Named Insured to maintain receipts and any other records of loss or damage resulting from a named storm or hurricane when the loss or damage is below the Calendar Year Windstorm Or Hail percentage deductible so that the Company can apply the amount(s) of such loss or damage in calculating the remainder of the Windstorm Or Hail percentage deductible for a calendar year. The Company may also require the Named Insured to report such loss or damage to the Company.

81. DEDUCTIBLE INSURANCE PLAN

Paragraphs **C.** and **D.** are replaced by the following:

C. Rules

1. Multiple Deductible Application

- a. Subject to Paragraph **C.1.f.**, the deductible amounts under this Plan are fixed dollar amount deductibles applying on an occurrence basis to all eligible covered property.
(For Windstorm Or Hail percentage deductibles, refer to Rule **82.**)
- b. Different deductible amounts may be established for each location. At a location all covered property must be written using the same dollar amount deductible, except as provided in Paragraph **C.1.d.**
- c. If some property at a location is written under a blanket limit of insurance and other property at the same location is written under a specific limit of insurance, all property at that location will be subject to the same deductible, except as provided in Paragraph **C.1.d.**
- d. Different deductible amounts may be established for either the Windstorm Or Hail or Theft causes of loss at each location. If a separate deductible amount is chosen, all covered property at that location must be written using the same deductible amount for that cause of loss.
- e. If different deductible amounts apply and loss at two or more locations results from a single occurrence, only the largest deductible (applicable to one of the damaged locations) should be applied to the loss.
- f. For policies with a total insured value of less than twenty million dollars that insure property located in Louisiana, if a separate Windstorm Or Hail deductible amount is indicated for one or more building location(s) and there is loss or damage to such building location(s) caused by windstorm or hail resulting from a named storm or hurricane, the deductible for Windstorm Or Hail applies to all named storms or hurricanes which occur during the same calendar year.

A hurricane or named storm is a storm system that has been declared to be a hurricane or named storm by the National Hurricane Center of the National Weather Service (hereafter referred to as NHC). Under the terms of this endorsement, a hurricane or named storm begins at the time a Watch or Warning is issued by the NHC for the area in which the affected premises are located and ends 72 hours after the termination of the last Watch or Warning issued for that area by the NHC.

- g. The Windstorm Or Hail deductible is calculated anew in each calendar year. If the policy period does not coincide with the calendar year, then a separate Windstorm Or Hail deductible(s) will apply to loss or damage that occurs during each calendar year in which the policy is in force. For example, if the policy period is from July 1 of calendar year 1 to June 30 of calendar year 2, a separate Windstorm Or Hail deductible(s) applies to loss or damage occurring from July 1 to December 31 of calendar year 1 and to loss or damage occurring from January 1 to June 30 of calendar year 2.
- h. When windstorm or hail resulting from a named storm or hurricane results in loss or damage that exhausts the Windstorm Or Hail deductible, then that deductible will not apply to windstorm or hail loss or damage from a subsequent named storm(s) or hurricane(s) in the same calendar year. In such case, the deductible that applies to fire will apply to windstorm or hail loss or damage from each subsequent named storm or hurricane in that calendar year.
- i. When windstorm or hail resulting from a named storm or hurricane results in loss or damage that does not exhaust the Windstorm Or Hail deductible, then the deductible applicable to windstorm or hail loss or damage resulting from a subsequent named storm(s) or hurricane(s) in the same calendar year will be the greater of the:
 - (1) Deductible that applies to fire; or
 - (2) Remaining amount of the Windstorm Or Hail deductible.

In this situation, the remaining amount of the Windstorm Or Hail deductible is determined by subtracting the amount(s) of the aforementioned loss or damage from the Windstorm Or Hail deductible.

j. Recordkeeping Requirement

The Company will inform the Named Insured to maintain receipts and any other records of loss or damage resulting from a named storm or hurricane when the loss or damage is below the Calendar Year Windstorm Or Hail percentage deductible so that the Company can apply the amount(s) of such loss or damage in calculating the remainder of the Windstorm Or Hail percentage deductible for a calendar year. The Company may also require the Named Insured to report such loss or damage to the Company.

D. Forms

Use Louisiana Multiple Deductible Form **CP 03 32** for scheduling different fixed dollar amount deductibles for each location. Form **CP 03 32** can also be used to schedule different fixed dollar amount deductibles for the Windstorm Or Hail or Theft causes of loss at each location.

Paragraphs **E.2.** and **E.4.** are replaced by the following:

E. Rate Modification

2. Rate Modification

- a. Multiply the rates contemplating a base deductible of not more than \$500 by the factors in Table **81.E.4**.
- b. Do not apply the factors to the rates for any form contemplating a base deductible equal to or exceeding the amount of the deductible desired under this Plan.
- c. When the base deductible amount exceeds \$500, unless otherwise provided, increase the deductible factor from Table **81.E.4**. by one half of the difference between 1.00 and the factor.

4. Factors For Deductible Coverage

82. WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLES

Paragraphs **B.**, **C.**, and **D.** are replaced by the following:

B. Form

Use Louisiana Windstorm Or Hail Percentage Deductible Endorsement **CP 03 31**.

1. Endorsement **CP 03 31** provides 1%, 2% or 5% Windstorm Or Hail deductible options that apply as follows:

a. Windstorm Or Hail Deductible Calculation

The Windstorm Or Hail percentage deductible applies on an occurrence basis in the event of loss by windstorm or hail, **except** when loss by windstorm or hail results from a named storm or hurricane.

b. Calendar Year Windstorm Or Hail Deductible Calculation – Hurricane And Named Storms

For policies with a total insured value of less than twenty million dollars that insure property located in Louisiana, the Windstorm Or Hail percentage deductible applies on a **calendar year basis only** to loss by windstorm or hail resulting from a named storm or hurricane. For policies with a total insured value equal to or greater than \$20 million or if the windstorm or hail loss does not result from a named storm or hurricane, then the Windstorm Or Hail percentage deductible described in Paragraphs **B.1.a.** and **C.2.a.** applies instead.

A hurricane or named storm is a storm system that has been declared to be a hurricane or named storm by the National Hurricane Center of the National Weather Service (hereafter referred to as NHC). Under the terms of this endorsement, a hurricane or named storm begins at the time a Watch or Warning is issued by the NHC for the area in which the affected premises are located and ends 72 hours after the termination of the last Watch or Warning issued for that area by the NHC.

2. The Windstorm Or Hail percentage deductibles described in Paragraphs **B.1.a.** and **B.1.b.** apply whenever there is an occurrence of windstorm or hail.

C. Rules

1. Schedule

Indicate in Endorsement **CP 03 31** or in the Declarations the:

- a. Insured Location Number;
- b. Building Number; and
- c. Windstorm Or Hail percentage deductible.

2. Application Of Deductible

a. Windstorm Or Hail Percentage Deductible

- (1) The Windstorm Or Hail deductible is calculated separately for, and applies separately to:

- (a) Each building that sustains loss or damage;
- (b) The personal property at each building at which there is loss or damage to personal property; and
- (c) Personal property in the open.

If there is damage to both a building and personal property in that building, separate deductibles apply to the building and to the personal property.

- (2) The Statement of Values for a blanket policy should contain sufficient detail – value of each building, value of personal property at each building, value of personal property in the open – to complement the procedure set forth in the Windstorm Or Hail percentage deductible endorsement.
- (3) Percentage deductibles may vary by location. At a location all covered property must be written using the same percentage deductible.

- (4) If some property at a location is written under a blanket limit of insurance and other property at the same location is written under a specific limit of insurance, all covered property at that location must be written using the same percentage deductible.
- (5) When property is covered under the Coverage Extension for Newly Acquired or Constructed Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage of the value(s) of the property at time of loss. The applicable percentage for Newly Acquired or Constructed Property is the highest percentage shown in the Schedule for any described premises.

b. Calendar Year Windstorm Or Hail Percentage Deductible

- (1) The Windstorm Or Hail percentage deductible, hereafter referred to as the Calendar Year Windstorm Or Hail percentage deductible, and applicable **only** when windstorm or hail results from a named storm or hurricane, as described in Paragraph **B.1.b.**, is calculated separately for, and applies separately to:
 - (a) Each building that sustains loss or damage;
 - (b) The personal property at each building at which there is loss or damage to personal property; and
 - (c) Personal property that is in the open.

If there is damage to both a building and personal property in that building, separate deductibles apply to the building and to the personal property.
- (2) The Calendar Year Windstorm Or Hail percentage deductible is calculated anew in each calendar year. If the policy period does not coincide with the calendar year, then a separate Windstorm Or Hail percentage deductible will apply to loss or damage that occurs during each calendar year in which the policy is in force. For example, if the policy period is from July 1 of calendar year 1 to June 30 of calendar year 2, a separate Windstorm Or Hail percentage deductible(s) applies to loss or damage occurring from July 1 to December 31 of calendar year 1 and to loss or damage occurring from January 1 to June 30 of calendar year 2.
- (3) When windstorm or hail resulting from a named storm or hurricane results in loss or damage that exhausts the Calendar Year Windstorm Or Hail percentage deductible, then that deductible will not apply to loss or damage from a subsequent named storm(s) or hurricane(s) in the same calendar year. In such case, the deductible that applies to fire will apply to loss or damage from each subsequent named storm or hurricane in that calendar year.
- (4) When windstorm or hail resulting from a named storm or hurricane results in loss or damage that does not exhaust the Calendar Year Windstorm Or Hail percentage deductible, then the deductible applicable to a subsequent named storm(s) or hurricane(s) in the same calendar year will be the greater of the:
 - (a) Deductible that applies to fire; or
 - (b) Remaining amount of the Calendar Year Windstorm Or Hail percentage deductible. In this situation, the remaining amount of the Calendar Year Windstorm Or Hail percentage deductible is determined by subtracting the amount(s) of the aforementioned loss or damage from the Calendar Year Windstorm Or Hail percentage deductible.
- (5) When the deductible that applies to fire applies in accordance with Paragraph **C.2.b.(3)** or **C.2.b.(4)**, that deductible is applied to the total of all loss or damage sustained in one named storm or hurricane. It does not apply to each item of Covered Property.

3. Recordkeeping Requirement – Calendar Year Windstorm Or Hail Percentage Deductible

The Company will inform the Named Insured to maintain receipts and any other records of loss or damage resulting from a named storm or hurricane when the loss or damage is below the Calendar Year Windstorm Or Hail percentage deductible so that the Company can apply the amount(s) of such loss or damage in calculating the remainder of the Windstorm Or Hail percentage deductible for a calendar year. The Company may also require the Named Insured to report such loss or damage to the Company.



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Louisiana Rules Exceptions Revised

About This Filing

This filing revises Louisiana state exceptions to reflect the revision of Louisiana Windstorm or Hail Percentage Deductible and Multiple Deductible endorsements in companion filing CF-2022-OWH1.

Revised Rules

We are revising the following state exceptions:

- Rule **33**. Deductible
- Rule **81**. Deductibles By Location
- Rule **82**. Windstorm Or Hail Percentage Deductibles

We have used a format of ~~striking-through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes. For the purposes of this filing, asterisks (***) indicate undisplayed text that remains unchanged with this filing.

Background

In companion forms filing CF-2022-OWH1, in response to 2022 LA. Laws ch. __ (former S.B. 168), we are revising the paragraphs related to application of deductibles for named storm or hurricanes in Louisiana Deductible endorsements for Commercial Property to provide that deductibles related to physical loss or damage resulting from named storms or hurricane shall apply on an annual basis for policies with a total insured value of less than twenty million dollars for property *located within Louisiana*.

Explanation of Changes

To complement the aforementioned revisions of Louisiana Windstorm or Hail Percentage Deductible and Multiple Deductible endorsements, we are revising the corresponding state exceptions which instruct on application of deductibles for named storms or hurricanes.

In addition, in order to more closely track LA. REV. STAT. ANN. § 22:1267.1 22:1267.1, we are deleting the paragraphs related to renewal or replacement policies.



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33. DEDUCTIBLE

Paragraph **D.** is replaced by the following:

- D.** Subject to Paragraph **E.1.**, use Louisiana Deductibles By Location Endorsement **CP 03 33** when fixed-dollar deductibles will be applied at each location in the event that one occurrence results in loss at more than one location. (This endorsement differs from Louisiana Multiple Deductible Form **CP 03 32**, under which only the highest deductible applies when an occurrence results in loss at multiple locations.)

In the Schedule of Endorsement **CP 03 33**, show applicable locations and corresponding deductibles. If a location is not shown in the Schedule, Endorsement **CP 03 33** will not apply to that location. For the purpose of this endorsement, a location may consist of an entire site or a separate building, depending on the description entered in the Schedule. The amount of the deductible may be the same for all locations or may vary by location. All property at a particular location is subject to the same deductible for a particular cause of loss. The deductibles for Windstorm Or Hail and/or Theft may vary from other causes of loss.

Endorsement **CP 03 33** does **not** apply to Earthquake or Flood.

When Endorsement **CP 03 33** is used, multiply the otherwise applicable rates by a factor of 0.995. For deductibles in excess of the base deductible, also multiply by the appropriate factors in Rule **81**. Factors apply multiplicatively.

The following is added to Rule **33.**:

E. Application Of Deductible

1. For policies with a total insured value of less than twenty million dollars that insure property located in Louisiana, if a separate Windstorm Or Hail deductible amount is indicated for a location and there is loss or damage to such building location(s) caused by windstorm or hail resulting from a named storm or hurricane, the deductible for Windstorm Or Hail applies to all named storms or hurricanes which occur during the same calendar year.

A hurricane or named storm is a storm system that has been declared to be a hurricane or named storm by the National Hurricane Center of the National Weather Service (hereafter referred to as NHC). Under the terms of this endorsement, a hurricane or named storm begins at the time a Watch or Warning is issued by the NHC for the area in which the affected premises are located and ends 72 hours after the termination of the last Watch or Warning issued for that area by the NHC.

2. The Windstorm Or Hail deductible is calculated anew in each calendar year. If the policy period does not coincide with the calendar year, then a separate Windstorm Or Hail deductible(s) will apply to loss or damage that occurs during each calendar year in which the policy is in force. For example, if the policy period is from July 1 of calendar year 1 to June 30 of calendar year 2, a separate Windstorm Or Hail deductible(s) applies to loss or damage occurring from July 1 to December 31 of calendar year 1 and to loss or damage occurring from January 1 to June 30 of calendar year 2.
3. When windstorm or hail resulting from a named storm or hurricane results in loss or damage that exhausts the Windstorm Or Hail deductible, then that deductible will not apply to windstorm or hail loss or damage from a subsequent named storm(s) or hurricane(s) in the same calendar year. In such case, the deductible that applies to fire will apply to windstorm or hail loss or damage from each subsequent named storm or hurricane in that calendar year.
4. When windstorm or hail resulting from a named storm or hurricane results in loss or damage that does not exhaust the Windstorm Or Hail deductible, then the deductible applicable to windstorm or hail loss or damage resulting from a subsequent named storm(s) or hurricane(s) in the same calendar year will be the greater of the:

- (a) Deductible that applies to fire; or
- (b) Remaining amount of the Windstorm Or Hail deductible.

In this situation, the remaining amount of the Windstorm Or Hail deductible is determined by subtracting the amount(s) of the aforementioned loss or damage from the Windstorm Or Hail deductible.

- ~~5. When a renewal policy or replacement policy issued by the same Company or another insurer in the Company's insurer group takes effect on a date other than January 1 of a calendar year, the following provisions apply:~~

- ~~(a) If the renewal or replacement policy provides a **lower** Windstorm Or Hail deductible than the prior policy and you already incurred loss or damage from a named storm or hurricane that occurred in that calendar year, the lower Windstorm Or Hail deductible will not take effect until January 1 of the following calendar year. In this event, the Company will so notify the Named Insured in writing at the time the Company offers the lower Windstorm Or Hail deductible to the Named Insured.~~

- ~~(b) If the renewal or replacement policy provides a **higher** Windstorm Or Hail deductible than the prior policy, the higher Windstorm Or Hail deductible will take effect on the effective date of the renewal or replacement policy. However, if loss or damage from a named storm or hurricane was sustained earlier in the calendar year in which the higher Windstorm Or Hail deductible applies, the difference between the higher and lower Windstorm Or Hail deductible will be figured into the remainder of the Windstorm Or Hail deductible for a subsequent named storm or hurricane that occurs in that calendar year.~~

F. Recordkeeping Requirement – Calendar Year Windstorm Or Hail Percentage Deductible

The Company will inform the Named Insured to maintain receipts and any other records of loss or damage resulting from a named storm or hurricane when the loss or damage is below the Calendar Year Windstorm Or Hail percentage deductible so that the Company can apply the amount(s) of such loss or damage in calculating the remainder of the Windstorm Or Hail percentage deductible for a calendar year. The Company may also require the Named Insured to report such loss or damage to the Company.

81. DEDUCTIBLE INSURANCE PLAN

Paragraphs C. and D. are replaced by the following:

C. Rules

1. Multiple Deductible Application

- a. Subject to Paragraph C.1.f., the deductible amounts under this Plan are fixed dollar amount deductibles applying on an occurrence basis to all eligible covered property.
(For Windstorm Or Hail percentage deductibles, refer to Rule 82.)
- b. Different deductible amounts may be established for each location. At a location all covered property must be written using the same dollar amount deductible, except as provided in Paragraph C.1.d.
- c. If some property at a location is written under a blanket limit of insurance and other property at the same location is written under a specific limit of insurance, all property at that location will be subject to the same deductible, except as provided in Paragraph C.1.d.
- d. Different deductible amounts may be established for either the Windstorm Or Hail or Theft causes of loss at each location. If a separate deductible amount is chosen, all covered property at that location must be written using the same deductible amount for that cause of loss.
- e. If different deductible amounts apply and loss at two or more locations results from a single occurrence, only the largest deductible (applicable to one of the damaged locations) should be applied to the loss.

- f. For policies with a total insured value of less than twenty million dollars that insure property located in Louisiana, if a separate Windstorm Or Hail deductible amount is indicated for one or more building location(s) and there is loss or damage to such building location(s) caused by windstorm or hail resulting from a named storm or hurricane, the deductible for Windstorm Or Hail applies to all named storms or hurricanes which occur during the same calendar year.

A hurricane or named storm is a storm system that has been declared to be a hurricane or named storm by the National Hurricane Center of the National Weather Service (hereafter referred to as NHC). Under the terms of this endorsement, a hurricane or named storm begins at the time a Watch or Warning is issued by the NHC for the area in which the affected premises are located and ends 72 hours after the termination of the last Watch or Warning issued for that area by the NHC.

- g. The Windstorm Or Hail deductible is calculated anew in each calendar year. If the policy period does not coincide with the calendar year, then a separate Windstorm Or Hail deductible(s) will apply to loss or damage that occurs during each calendar year in which the policy is in force. For example, if the policy period is from July 1 of calendar year 1 to June 30 of calendar year 2, a separate Windstorm Or Hail deductible(s) applies to loss or damage occurring from July 1 to December 31 of calendar year 1 and to loss or damage occurring from January 1 to June 30 of calendar year 2.
- h. When windstorm or hail resulting from a named storm or hurricane results in loss or damage that exhausts the Windstorm Or Hail deductible, then that deductible will not apply to windstorm or hail loss or damage from a subsequent named storm(s) or hurricane(s) in the same calendar year. In such case, the deductible that applies to fire will apply to windstorm or hail loss or damage from each subsequent named storm or hurricane in that calendar year.
- i. When windstorm or hail resulting from a named storm or hurricane results in loss or damage that does not exhaust the Windstorm Or Hail deductible, then the deductible applicable to windstorm or hail loss or damage resulting from a subsequent named storm(s) or hurricane(s) in the same calendar year will be the greater of the:
 - (1) Deductible that applies to fire; or
 - (2) Remaining amount of the Windstorm Or Hail deductible.

In this situation, the remaining amount of the Windstorm Or Hail deductible is determined by subtracting the amount(s) of the aforementioned loss or damage from the Windstorm Or Hail deductible.

~~j. When a renewal policy or replacement policy issued by the same Company or another insurer in the Company's insurer group takes effect on a date other than January 1 of a calendar year, the following provisions apply:~~

~~(1) If the renewal or replacement policy provides a **lower** Windstorm Or Hail deductible than the prior policy and you already incurred loss or damage from a named storm or hurricane that occurred in that calendar year, the lower Windstorm Or Hail deductible will not take effect until January 1 of the following calendar year. In this event, the Company will so notify the Named Insured in writing at the time the Company offers the lower Windstorm Or Hail deductible to the Named Insured.~~

~~(2) If the renewal or replacement policy provides a **higher** Windstorm Or Hail deductible than the prior policy, the higher Windstorm Or Hail deductible will take effect on the effective date of the renewal or replacement policy. However, if loss or damage from a named storm or hurricane was sustained earlier in the calendar year in which the higher Windstorm Or Hail deductible applies, the difference between the higher and lower Windstorm Or Hail deductible will be figured into the remainder of the Windstorm Or Hail deductible for a subsequent named storm or hurricane that occurs in that calendar year.~~

kj. Recordkeeping Requirement

The Company will inform the Named Insured to maintain receipts and any other records of loss or damage resulting from a named storm or hurricane when the loss or damage is below the Calendar Year Windstorm Or Hail percentage deductible so that the Company can apply the amount(s) of such loss or damage in calculating the remainder of the Windstorm Or Hail percentage deductible for a calendar year. The Company may also require the Named Insured to report such loss or damage to the Company.

D. Forms

Use Louisiana Multiple Deductible Form **CP 03 32** for scheduling different fixed dollar amount deductibles for each location. Form **CP 03 32** can also be used to schedule different fixed dollar amount deductibles for the Windstorm Or Hail or Theft causes of loss at each location.

Paragraphs **E.2.** and **E.4.** are replaced by the following:

E. Rate Modification

2. Rate Modification

- a. Multiply the rates contemplating a base deductible of not more than \$500 by the factors in Table **81.E.4**.
- b. Do not apply the factors to the rates for any form contemplating a base deductible equal to or exceeding the amount of the deductible desired under this Plan.
- c. When the base deductible amount exceeds \$500, unless otherwise provided, increase the deductible factor from Table **81.E.4** by one half of the difference between 1.00 and the factor.

4. Factors For Deductible Coverage

82. WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLES

Paragraphs **B.**, **C.**, and **D.** are replaced by the following:

B. Form

Use Louisiana Windstorm Or Hail Percentage Deductible Endorsement **CP 03 31**.

1. Endorsement **CP 03 31** provides 1%, 2% or 5% Windstorm Or Hail deductible options that apply as follows:

a. Windstorm Or Hail Deductible Calculation

The Windstorm Or Hail percentage deductible applies on an occurrence basis in the event of loss by windstorm or hail, **except** when loss by windstorm or hail results from a named storm or hurricane.

b. Calendar Year Windstorm Or Hail Deductible Calculation – Hurricane And Named Storms

For policies with a total insured value of less than twenty million dollars that insure property located in Louisiana, the Windstorm Or Hail percentage deductible applies on a **calendar year basis only** to loss by windstorm or hail resulting from a named storm or hurricane. For policies with a total insured value equal to or greater than \$20 million or if the windstorm or hail loss does not result from a named storm or hurricane, then the Windstorm Or Hail percentage deductible described in Paragraphs **B.1.a.** and **C.2.a.** applies instead.

A hurricane or named storm is a storm system that has been declared to be a hurricane or named storm by the National Hurricane Center of the National Weather Service (hereafter referred to as NHC). Under the terms of this endorsement, a hurricane or named storm begins at the time a Watch or Warning is issued by the NHC for the area in which the affected premises are located and ends 72 hours after the termination of the last Watch or Warning issued for that area by the NHC.

2. The Windstorm Or Hail percentage deductibles described in Paragraphs **B.1.a.** and **B.1.b.** apply whenever there is an occurrence of windstorm or hail.

C. Rules

1. Schedule

Indicate in Endorsement **CP 03 31** or in the Declarations the:

- a. Insured Location Number;
- b. Building Number; and
- c. Windstorm Or Hail percentage deductible.

2. Application Of Deductible

a. Windstorm Or Hail Percentage Deductible

- (1) The Windstorm Or Hail deductible is calculated separately for, and applies separately to:

- (a) Each building that sustains loss or damage;
- (b) The personal property at each building at which there is loss or damage to personal property; and
- (c) Personal property in the open.

If there is damage to both a building and personal property in that building, separate deductibles apply to the building and to the personal property.

- (2) The Statement of Values for a blanket policy should contain sufficient detail – value of each building, value of personal property at each building, value of personal property in the open – to complement the procedure set forth in the Windstorm Or Hail percentage deductible endorsement.
- (3) Percentage deductibles may vary by location. At a location all covered property must be written using the same percentage deductible.
- (4) If some property at a location is written under a blanket limit of insurance and other property at the same location is written under a specific limit of insurance, all covered property at that location must be written using the same percentage deductible.
- (5) When property is covered under the Coverage Extension for Newly Acquired or Constructed Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage of the value(s) of the property at time of loss. The applicable percentage for Newly Acquired or Constructed Property is the highest percentage shown in the Schedule for any described premises.

b. Calendar Year Windstorm Or Hail Percentage Deductible

- (1) The Windstorm Or Hail percentage deductible, hereafter referred to as the Calendar Year Windstorm Or Hail percentage deductible, and applicable **only** when windstorm or hail results from a named storm or hurricane, as described in Paragraph **B.1.b.**, is calculated separately for, and applies separately to:

- (a) Each building that sustains loss or damage;
- (b) The personal property at each building at which there is loss or damage to personal property; and
- (c) Personal property that is in the open.

If there is damage to both a building and personal property in that building, separate deductibles apply to the building and to the personal property.

- (2) The Calendar Year Windstorm Or Hail percentage deductible is calculated anew in each calendar year. If the policy period does not coincide with the calendar year, then a separate Windstorm Or Hail percentage deductible will apply to loss or damage that occurs during each calendar year in which the policy is in force. For example, if the policy period is from July 1 of calendar year 1 to June 30 of calendar year 2, a separate Windstorm Or Hail percentage deductible(s) applies to loss or damage occurring from July 1 to December 31 of calendar year 1 and to loss or damage occurring from January 1 to June 30 of calendar year 2.
- (3) When windstorm or hail resulting from a named storm or hurricane results in loss or damage that exhausts the Calendar Year Windstorm Or Hail percentage deductible, then that deductible will not apply to loss or damage from a subsequent named storm(s) or hurricane(s) in the same calendar year. In such case, the deductible that applies to fire will apply to loss or damage from each subsequent named storm or hurricane in that calendar year.
- (4) When windstorm or hail resulting from a named storm or hurricane results in loss or damage that does not exhaust the Calendar Year Windstorm Or Hail percentage deductible, then the deductible applicable to a subsequent named storm(s) or hurricane(s) in the same calendar year will be the greater of the:
 - (a) Deductible that applies to fire; or

- (b) Remaining amount of the Calendar Year Windstorm Or Hail percentage deductible. In this situation, the remaining amount of the Calendar Year Windstorm Or Hail percentage deductible is determined by subtracting the amount(s) of the aforementioned loss or damage from the Calendar Year Windstorm Or Hail percentage deductible.
- (5) When the deductible that applies to fire applies in accordance with Paragraph **C.2.b.(3)** or **C.2.b.(4)**, that deductible is applied to the total of all loss or damage sustained in one named storm or hurricane. It does not apply to each item of Covered Property.
- ~~(6) If an item of Covered Property is covered under more than one policy issued by the Company or another insurer in the Company's insurer group for the same policy period and different Calendar Year Windstorm Or Hail deductibles apply to the same item of Covered Property under such policies, then the Calendar Year Windstorm Or Hail deductible for that item of Covered Property shall be the highest amount stated in any one of the policies.~~
- ~~(7) When a renewal policy or replacement policy issued by the same Company or another insurer in the Company's insurer group takes effect on a date other than January 1 of a calendar year, the following provisions apply:~~
 - ~~(a) If the renewal or replacement policy provides a **lower** Windstorm Or Hail deductible than the prior policy and the Named Insured already incurred loss or damage from a named storm or hurricane that occurred in that calendar year, the lower Windstorm Or Hail deductible will not take effect until January 1 of the following calendar year. In this event, the Company will so notify the Named Insured in writing at the time the Company offers the lower Windstorm Or Hail deductible to the Named Insured.~~
 - ~~(b) If the renewal or replacement policy provides a **higher** Windstorm Or Hail deductible than the prior policy, the higher Windstorm Or Hail deductible will take effect on the effective date of the renewal or replacement policy. However, if loss or damage from a named storm or hurricane was sustained earlier in the calendar year in which the higher Windstorm Or Hail deductible applies, the difference between the higher and lower Windstorm Or Hail deductible will be figured into the remainder of the Windstorm Or Hail deductible for a subsequent named storm or hurricane that occurs in that calendar year.~~

3. Recordkeeping Requirement – Calendar Year Windstorm Or Hail Percentage Deductible

The Company will inform the Named Insured to maintain receipts and any other records of loss or damage resulting from a named storm or hurricane when the loss or damage is below the Calendar Year Windstorm Or Hail percentage deductible so that the Company can apply the amount(s) of such loss or damage in calculating the remainder of the Windstorm Or Hail percentage deductible for a calendar year. The Company may also require the Named Insured to report such loss or damage to the Company.



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Louisiana Rules Exceptions Revised

About This Filing

This filing revises Louisiana state exceptions to reflect the revision of Louisiana Windstorm or Hail Percentage Deductible and Multiple Deductible endorsements in companion filing CF-2022-OWH1.

Revised Rules

We are revising the following state exceptions:

- Rule **33**. Deductible
- Rule **81**. Deductibles By Location
- Rule **82**. Windstorm Or Hail Percentage Deductibles

We have used a format of ~~striking-through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes. For the purposes of this filing, asterisks (***) indicate undisplayed text that remains unchanged with this filing.

Background

In companion forms filing CF-2022-OWH1, in response to 2022 LA. Laws ch. __ (former S.B. 168), we are revising the paragraphs related to application of deductibles for named storm or hurricanes in Louisiana Deductible endorsements for Commercial Property to provide that deductibles related to physical loss or damage resulting from named storms or hurricane shall apply on an annual basis for policies with a total insured value of less than twenty million dollars for property *located within Louisiana*.

Explanation of Changes

To complement the aforementioned revisions of Louisiana Windstorm or Hail Percentage Deductible and Multiple Deductible endorsements, we are revising the corresponding state exceptions which instruct on application of deductibles for named storms or hurricanes.

In addition, in order to more closely track LA. REV. STAT. ANN. § 22:1267.1 22:1267.1, we are deleting the paragraphs related to renewal or replacement policies.