



# Property Insurance Association of Louisiana

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## Commercial



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## CHANGES

This filing updates two references in the recently introduced Windstorm Construction Program rule.

## 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.

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**70. CAUSES OF LOSS – BASIC FORM**

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The following is added to Paragraph E.:

**3. Windstorm Construction Program**

**a. Introduction**

With respect to all single-family residential properties and commercial properties, insurers shall provide for premium discounts, credits or other adjustments to reduce premiums when an insured builds or retrofits a structure to resist loss due to hurricane, tornado or other catastrophic windstorm events in compliance with the requirements of the Insurance Institute for Business & Home Safety (IBHS®).

**b. Eligibility**

Insurable properties, including single-family residential properties and commercial properties, are eligible for credit if the property has been certified as constructed in accordance with the Fortified Home™ or Fortified Commercial™ program promulgated by the IBHS®. The credit or discount shall apply only to policies that provide wind coverage and does not apply if the insured elects to exclude coverage for Wind and Hail losses through Windstorm Or Hail Exclusion Endorsement **CP 10 54**.

**c. Proof Of Compliance**

The following applies to property eligible for the IBHS® Fortified Home™ or Fortified Commercial™ program:

- (1) An insurable property shall be certified as constructed in accordance with the Fortified Home or Fortified Commercial standards only after inspection and certification by an IBHS® certified inspector.
- (2) An owner of insurable property claiming a credit or discount shall maintain and provide certification records and construction records, including certification of compliance with the IBHS® standards, for which the owner seeks a discount. Such documents may include but are not limited to receipts for contractors, receipts for materials, and records from local building officials. The IBHS® certification documents shall be considered evidence of compliance with the Fortified Home or Fortified Commercial standards. The certification shall be presented to the insurer or potential insurer of a property owner before the adjustment becomes effective for the insurable property along with any other necessary records.
- (3) The credit will only apply for five years from the date of the designation. In order to continue receiving the mitigation credit after five years, the property must be re-inspected and re-designated by the IBHS®. If the IBHS® designation expires, the applicable mitigation credit will expire upon renewal.

**d. Wind Mitigation Discount Procedure**

Use state Table 70.E.3.d. to determine the Windstorm Loss Mitigation Credit for the applicable certificate level for the risk. The credit applies to the rate or premium for Basic Group II coverage on the building and its contents:

Territory	IBHS FORTIFIED Home Or Commercial Certificate Level		
	Bronze/Roof	Silver	Gold/FSL
Zone 1	23 %	28 %	29 %
Zone 2	16	20	21
Zone 3	38	48	51
Zone 4	47	59	64
Zone 5	54	63	68

**Table 70.E.3.d. Windstorm Loss Mitigation Credits**

**e. Building Code Effectiveness Grading**

If a premium credit under Paragraph E.3. applies to the risk, the Basic Group II factor in Additional Rule A6. does not apply.

**f. Windstorm Loss Mitigation – Midterm Installation**

When mitigation measures are installed midterm, premium adjustment is required on a pro rata basis.



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# Louisiana Rules Exception Revised

## About This Filing

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This filing updates two references in the recently introduced Windstorm Construction Program rule.

### Revised Rule

We are revising the following state exception:

- Rule **70**. Causes of Loss Basic Form

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

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In filing CL-2022-RWCP1, in response to LA. REV. STAT. ANN. § 22:1483 (2021), we introduced instruction on the Windstorm Construction Program under Commercial Property 70.E.3.

## Explanation of Changes

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Paragraph E.3.e of Rule 70 instructs that if a premium credit under Paragraph E.3. applies to the risk, the Basic Group II factor in Additional Rule A1. does not apply. We are updating E.3.e. to reflect that the Basic Group II factor is located under Additional Rule **A6**. We are also updating Paragraph E.3.b. to reference Windstorm Or Hail Exclusion endorsement **CP 10 54**.





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#### b. Eligibility

Insurable properties, including single-family residential properties and commercial properties, are eligible for credit if the property has been certified as constructed in accordance with the Fortified Home™ or Fortified Commercial™ program promulgated by the IBHS®. The credit or discount shall apply only to policies that provide wind coverage and does not apply if the insured elects to exclude coverage for Wind and Hail losses through Windstorm Or Hail Exclusion—Direct Damage Endorsement **CP 10 5354**.

#### c. Proof Of Compliance

The following applies to property eligible for the IBHS® Fortified Home™ or Fortified Commercial™ program:

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Table 70.E.3.d. Windstorm Loss Mitigation Credits

#### e. Building Code Effectiveness Grading

If a premium credit under Paragraph E.3. applies to the risk, the Basic Group II factor in Additional Rule **A1A6** does not apply.

#### f. Windstorm Loss Mitigation – Midterm Installation

When mitigation measures are installed midterm, premium adjustment is required on a pro rata basis.