

Landmark Decision: House Bill 611 Repeals Louisiana's Three-Year Rule

Implications For The Insurance Market In Louisiana

LOUISIANA, USA, June 3, 2024 /EINPresswire.com/ -- On the 7th of May, the [Louisiana Legislature](#) approved [House Bill 611](#), a transformative measure, signaling the end of Louisiana's unique three-year home insurance rule. In conjunction with this landmark decision, [Governor Jeff Landry](#) has signed a comprehensive package of insurance reform laws.



The three-year home insurance rule was a regulation that stipulated certain restrictions on insurance policies for homeowners. Under this rule, insurance companies were generally prohibited from making significant changes to homeowners' insurance policies, such as adjusting deductibles or canceling or non-renewing policies, within the first three years of coverage. This regulation aimed to provide a level of stability and predictability for homeowners during the initial years of their insurance coverage.

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However, this rule also had implications for the insurance market in Louisiana. It limited flexibility for insurance companies to adjust policies in response to changing risk factors, such as increasing property damage due to natural disasters like hurricanes. As a result, some argued that the three-year rule contributed to challenges in the insurance

market, including rising premiums and limited availability of coverage in high-risk areas.

House Bill 611, drafted by Rep. Gabe Firment, serves as the foundation of this reform package. Its passing marks a turning point in Louisiana's commitment to improving stability in the

property market. This is underscored by Louisiana's ongoing struggle with soaring property insurance premiums, which are exacerbated by the escalating frequency and intensity of hurricanes. These challenges have prompted major insurers to withdraw from high-risk areas, leaving property owners vulnerable and insurance options limited.

Dana Hendrix, Vice President of Finance at leading mortgage company [DSL D Mortgage](#), said: "This is a positive step to protect homeowners from future rate increases. It will significantly boost the competition and encourage more home insurance companies to enter the marketplace in Louisiana."

As the state moves forward, it aims to create a more resilient and competitive insurance sector, assuring residents' security and the viability of the real estate market.



Dana Hendrix, Senior VP of Finance at DSL D Mortgage

About DSL D Mortgage

Founded in 2007 amid the global financial crisis, DSL D Mortgage aims to support homebuyers and homeowners facing refinancing challenges due to rising interest rates and falling US housing prices. This includes assisting first-time homebuyers through various government loan initiatives and providing dedicated support to military personnel seeking VA loans. DSL D Mortgage expertise extends to FHA, USDA, down payment assistance, and other conventional loans. Recognized as a Top Guaranteed Rural Housing Lender in Louisiana by the USDA, DSL D Mortgage specializes in offering and originating loans that are part of government programs.

Dana Hendrix
DSL D Mortgage

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