

Commissioner's Monthly Column

Citizens, Tax and Insurance Savings Opportunities

February 2013

This spring during tax season I'd like to ask you, as insurance agents, to join me in reaching out to your clients and friends reminding them to claim the Louisiana Citizens Assessment paid with their insurance premium. If property owners have not yet done so tax time is certainly a good time to claim the Citizens rebate. As of the end of last year, \$255.4 million or 65 percent of funds available from 2009 through 2012 were not claimed. The allotted time to claim funds for 2006 through 2008 has expired and nearly \$194 million or 53 percent of those funds went unclaimed. The option to claim the 2009 assessment will expire at the end of 2013.

This will be my message as I travel around the state during February and March speaking on the Citizens rebate and other savings options for property and casualty policyholders. As a part of this public awareness effort, the Louisiana Department of Insurance (LDI) will be airing radio ads during March on these important savings available during tax season.

The Citizens Assessment is for the amortization of the \$1 billion of bonds issued by Louisiana Citizens in 2006 to cover the damages caused by Hurricane Katrina in excess of their available reinsurance. Consumers should be aware that this amount is refundable once they have paid their annual property insurance bill.

Important tips you can pass on to policyholders include the various ways to claim the Citizens rebate for 2009 through 2012:

- 1.) **Claim the rebate as a tax credit** on the Louisiana Individual Income Tax Return which is due each May.
- 2.) **Claim the rebate online** by visiting www.revenue.louisiana.gov/fileonline, and follow the links to Louisiana Department of Revenue's web application designed to help individuals claim their Citizens rebate. Policyholders can choose to receive the rebate by direct deposit, paper check or a pre-loaded debit card.
- 3.) **Claim the rebate by filling out form R-540INS** as soon as the insurance premium is paid that includes the Citizens Assessment. Policyholders can mail or fax it in, along with the insurance declaration page for that year, which shows the amount of your paid assessment.

Property owners may also be eligible for state tax deductions and insurance premium discounts for voluntarily building or retrofitting their homes to comply with the 2005 Louisiana State Uniform Construction Code which will make their homes more hurricane resistant. This includes, but is not limited to, such building applications as roof deck attachment, roof bracing, roof covering, roof-to-wall connections, secondary water barrier, and opening protection. The discount is generally up to the 20 percent range for homeowners insurance and will vary significantly by geography.

For more information on the Citizens assessment rebate, visit the Louisiana Department of Insurance website at www.lidi.la.gov. Click on the *Citizens Insurance Rebate* link on the home page to access the necessary forms and for more information on the Louisiana State Uniform Construction Code state tax deduction and insurance premium discounts. Citizens assessment rebate forms can also be found on the Louisiana Department of Revenue website at www.revenue.louisiana.gov/citizens.

Let's partner together in this public awareness venture by urging policyholders to check the declaration page of their property insurance policy to find the Citizens assessment amount they paid and claim the rebate of this assessed amount. This, as well as the Louisiana State Uniform Construction Code tax deduction and insurance premium discounts, are important savings options for consumers as well as opportunities to help them to make their properties more hurricane resistant.

As surprising as it is after 7 years' experience, most policyholders are not aware of the availability of these funds as evidenced by the fact that most of the moneys available for refund or tax credit have gone unclaimed. For those just learning of this program, the moneys they were assessed for the years 2009 to the present can still be recouped.

You may be also interested to know that you can find previous years' Commissioner's Columns online at www.lidi.la.gov/media/commissionerscolumns. On our website, you may also register to receive LDI press releases, newsletters, Senior Health Insurance Information Program updates or LDI Advisory Letters, Bulletins, Directives, and Regulations. I encourage you to continue to stay informed and to keep up the important work of relaying meaningful information to policyholders.