

HOUSE COMMITTEE AMENDMENTS

2017 Regular Session

Amendments proposed by House Committee on Insurance to Original House Bill No. 287
by Representative Talbot

1 AMENDMENT NO. 1

2 On page 1, line 2, after "R.S. 22:41(11)" and before "and" insert "885(B), 887(A)(5) and (D),
3 1271(A), 1484(A)(1),"

4 AMENDMENT NO. 2

5 On page 1, line 4, after "mortgagee;" and before "and" insert "to provide for notice to the
6 mortgagee of cancellation of the policy by an insurer; to provide for identification of the
7 insured property in the notice to insured and the mortgagee; to provide notice to the
8 mortgagee of additional required premium;"

9 AMENDMENT NO. 3

10 On page 1, delete line 7 in its entirety and insert in lieu thereof "Section 1. R.S. 22:41(11),
11 885(B), 887(A)(5) and (D), 1271(A), 1484(A)(1), and 1892(A)(1) are hereby amended and
12 reenacted to read"

13 AMENDMENT NO. 4

14 On page 1, after line 17, insert:

15 "§885. Cancellation by the insured; surrender

16 * * *

17 B. Within thirty days following such cancellation the insurer shall
18 pay to the insured or to the person entitled thereto as shown by the insurer's
19 records in accordance with R.S. 22:41(11), any unearned portion of any
20 premium paid on the policy as computed on the customary pro rata rate,
21 unless otherwise stated in a policy that has been filed with and approved by
22 the commissioner, and any unearned commission. If no premium has been
23 paid on the policy, the insured shall be liable to the insurer for premium for
24 the period during which the policy was in force. Except for surplus line
25 insurers, any assessment of a monetary penalty by an insurer against an
26 insured as a result of the insured's cancellation prior to the expiration of any
27 policy is prohibited. Nothing in this Section shall prohibit an insurer from
28 calculating unearned premium based on a short-rate provision contained in
29 any insurance policy that has been filed with and approved by the
30 commissioner.

31 * * *

32 §887. Cancellation by insurer; changes to homeowner's insurance policies

33 A. Cancellation by the insurer of any policy which by its terms may
34 be cancelled at the option of the insurer, or of any binder based on such
35 policy, may be effected as to any interest only upon compliance with either
36 of the following:

37 * * *

38 (5) Any policy may be cancelled by the company at any time during
39 the policy period for failure to pay any premium when due whether such
40 premium is payable directly to the company or its agent or indirectly under
41 a premium finance plan or extension of credit, by mailing or delivering to the
42 insured or mortgagee written notice stating when, not less than ten days
43 thereafter, such cancellation shall be effective. Nothing in this Code shall
44 mandate a separate notice of lapse for nonpayment of premium of a policy
45 defined as provided by R.S. 22:1460(G).

* * *

D.(1) The portion of any premium paid to the insurer on account of the policy, including unearned commission, unearned because of the cancellation and in amount as computed on the pro rata basis, ~~must~~ shall be actually paid to the insured, ~~the mortgagee~~, the agent of the insured, or other person entitled thereto as shown by the policy or by any endorsement thereon in accordance with R.S. 22:41(11), or be mailed to the insured or such person as soon as practicable following such cancellation. Any such payment may be made by cash, check, bank draft, or money order.

(2) When payment is sent to the agent or mortgagee of the insured, the insurer shall be required to provide notice to the insured, at the time of cancellation, that a return of unearned premium may be generated by the cancellation.

* * *

§1271. Identification of property upon which premium is due

A. Any bill or other notice requiring payment of a premium for a policy of property or casualty insurance which is sent by an insurer to its policyholder or mortgagee shall identify the insured property sufficiently to allow the policyholder or mortgagee to identify the property upon which the premium is due. Such identification may be by description or may be by address if the property is real estate.

* * *

§1484. Property, casualty, and liability insurance; premium increase by insurer without or with material change in circumstances of insured; notice of premium increase

A.(1) No insurer shall be entitled to an additional premium for a commercial property, casualty, or liability insurance policy which has been in effect for more than ninety days or for a noncommercial property, casualty, or liability insurance policy which has been in effect for more than sixty days when there has been no material change in the circumstances of the insured from those stated by the insured in his application for the policy. For an insurance company to be entitled to any additional premium, the insured and mortgagee ~~must~~ shall receive a billing notice and either an explanation of any premium increase or a statement that asks the insured to contact either the insurance company or its producer if the insured has any questions about the billing notice or the premium increase, within the first sixty days of the effective date of the policy. If the company or agent fails to bill the insured within the first sixty days of the effective date of the policy, the insured shall not be responsible for payment of such additional premium, shall not be penalized for nonpayment of that additional premium, and his policy shall not be cancelled for failure to pay such additional premium.

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