

GREEN SHEET REDIGEST

HB 217

2017 Regular Session

Jordan

(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)

INSURANCE: Provides relative to the regulation of unfair competition and unfair trade practices by vehicle mechanical breakdown insurers

DIGEST

Present law defines "vehicle mechanical insurance policy" as any contract, agreement, or instrument whereby a person other than the owner, seller, or lessor of a vehicle assumes the risk of or the expense or portion thereof for the mechanical breakdown or mechanical failure of a motor vehicle and may include other customer assistance and convenience services, such as vehicle rental assistance, towing assistance, trip interruption, and roadside assistance, and shall include those agreements commonly known as vehicle service agreements or extended warranty agreements.

Proposed law retains present law and includes warranty agreements where the assumption of risk is made by an entity other than the owner, seller, or lessor of the vehicle.

Present law provides that all licensed vehicle mechanical breakdown insurers are subject only to the specific provisions governing vehicle mechanical breakdown insurers in Title 22 of the La. Revised Statutes of 1950, and are exempt from the applicability of all other provisions of Title 22, except where such laws are specifically incorporated by reference into the provisions governing vehicle mechanical breakdown insurers.

Proposed law retains present law and specifically incorporates by reference the provisions of R.S. 22:1964(1)-(5),(7)(c), (d), and (f)-(h), (9), (13),(14), and (16)-(18), and 1967-1971, defining unfair trade practices and authorizing the commissioner of insurance to investigate unfair trade practices, hold hearings on suspected violations, impose penalties for violations, issue cease and desist orders as applicable, and provide civil immunity for good faith reporting of suspected unfair trade practices.

Effective July 1, 2017.

(Amends R.S. 22:361(9); Adds R.S. 22:373(C))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Make applicable to vehicle mechanical breakdown insurers additional specific provisions of Title 22 governing unfair competition and unfair trade practices, including R.S. 22:1961-1963, 1964(1)-(7), (12)-(14), (16)-(18), and (25).

The House Floor Amendments to the engrossed bill:

1. Make applicable to vehicle mechanical breakdown insurers the provisions of R.S. 22:1964(9), governing unfair competition and unfair trade practices.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the reengrossed bill

1. Specify the present definition of "vehicle mechanical breakdown insurance policy" includes warranty agreements where the assumption of risk is made by an entity other than the owner, seller, or lessor of the vehicle.
2. Make changes to the provisions of Title 22 governing unfair competition and unfair trade practices made applicable to vehicle mechanical breakdown insurers in proposed law.