
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Cheryl Horne.

DIGEST

Proposed law prohibits an insurer from increasing the rate or increasing or adding a surcharge when such action is based on consideration of a lapse in coverage.

Proposed law defines "lapse in coverage" as period of time not to exceed 24 months, during which the owner of a motor vehicle who formerly maintained liability coverage on a vehicle, as required under the Motor Vehicle Safety Responsibility Law, voluntarily surrenders the vehicle's license plate to the office of motor vehicles and ceases to maintain a policy of insurance or other security as required by the Motor Vehicle Safety Responsibility Law.

Proposed law requires any insurer who violates this Section to refund to the insured person the amount of premium which would have been charged if the insurer had complied with proposed law. Authorizes the insured to collect payment of attorneys fees in a suit to enforce proposed law.

Proposed law requires that one or more lapses in coverage shall not be the sole basis for an insurer's denial of an application for a policy of motor vehicle insurance nor shall such lapse in coverage be considered by an insurer in determining the rates for such a policy. No insurer shall require that such coverage be provided by another insurer based solely upon such a lapse in coverage.

Effective August 15, 2010.

(Adds R.S. 22:1284.1)