

SENATE BILL NO. 150

BY SENATOR DUPLESSIS

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AN ACT

To enact R.S. 22:1284.1, relative to motor vehicle insurance; to prohibit an increase in the premium rate when there is a lapse in coverage under certain circumstances; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1284.1 is hereby enacted to read as follows:

§1284.1. Motor vehicle insurance; consideration of lapse in coverage prohibited

A. No insurer shall increase the premium rate or increase or add a surcharge on any policy of motor vehicle insurance when such action is based solely on consideration of a lapse in coverage, as defined in this Section, regarding the insured as provided in this Section.

B. As used in this Section, a "lapse in coverage" is that period of time 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, first voluntarily surrenders the vehicle's license plate to the office of motor vehicles and then ceases to maintain a policy of insurance or other security as required by the Motor Vehicle Safety Responsibility Law.

C. Any insurer who violates the provisions of this Section shall refund to the insured person the amount of premium which was paid that exceeded the amount of premium which would have been charged if the insurer had complied with this Section. The commissioner of insurance shall promulgate rules and regulations to enforce the provisions of this Section.

D. Notwithstanding any other provisions of law to the contrary, one or more lapses in coverage, as defined in this Section, shall not be the sole basis for

1 an insurer's denial of an application for a policy of motor vehicle insurance nor
2 shall such lapse in coverage be considered by an insurer in determining the
3 rates for such a policy. In addition, no insurer shall require that such coverage
4 be provided by another insurer based solely upon such a lapse in coverage.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____