2017 Regular Session

HOUSE BILL NO. 287

BY REPRESENTATIVE TALBOT

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

INSURANCE: Provides for the return of unearned premium and notice of claim payments to the mortgagee.

1	AN ACT
2	To amend and reenact R.S. 22:41(11) and 1892(A)(1), relative to property and casualty
3	insurance claims; to provide for the return of unearned premium to the mortgagee;
4	to provide for notice of claim payments to the mortgagee; and to provide for related
5	matters.
6	Be it enacted by the Legislature of Louisiana:
7	Section 1. R.S. 22:41(11) and 1892(A)(1) are hereby amended and reenacted to read
8	as follows:
9	§41. Policyholder bill of rights
10	* * *
11	(11) Policyholders shall have the right to cancel their policy and receive a
12	refund of any unearned premium. If a policy was funded by a premium finance
13	company, the unearned premium will be returned to the premium finance company
14	to pay toward the policyholder's financing loan. If a policy was funded by a
15	mortgagee, the unearned premium will be returned to the mortgagee and the
16	policyholder.
17	* * *

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	§1892. Payment and adjustment of claims, policies other than life and health and
2	accident; personal vehicle damage claims; extension of time to respond to
3	claims during emergency or disaster; penalties; arson-related claims
4	suspension
5	A.(1) All insurers issuing any type of contract, other than those specified in
6	R.S. 22:1811, 1821, and Chapter 10 of Title 23 of the Louisiana Revised Statutes of
7	1950, shall pay the amount of any claim due any insured within thirty days after
8	receipt of satisfactory proofs of loss from the insured or any party in interest. The
9	insurer shall notify the insurance producer of record and mortgagee named on the
10	policy of all such payments for property damage claims made in accordance with this
11	Paragraph.
12	* * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Abstract: Requires the return of unearned premium to the mortgagee named on a policy.

<u>Present law</u> requires unearned premium to be returned by the insurer upon cancellation of an insurance policy to the policyholder or a premium finance company who financed the policy.

<u>Proposed law</u> retains <u>present law</u> and additionally requires the insurer to return any unearned premium to a mortgagee who funded the policy.

<u>Present law</u> requires an insurer to notify the producer of record of all payments made to the insured for property damage claims.

<u>Proposed law</u> retains <u>present law</u> and additionally requires the insurer to notify a mortgagee named on the policy of payments for property damage claims.

(Amends R.S. 22:41(11) and 1892(A)(1))