

**ACT No. 225**

2019 Regular Session

HOUSE BILL NO. 407

BY REPRESENTATIVE CHAD BROWN

1 AN ACT

2 To amend and reenact R.S. 22:885(B), relative to the refund of unearned insurance  
3 premiums; to remove the option for mortgagees to provide written notice to the  
4 insurer for unearned premiums after cancellation; to provide for the refund of  
5 unearned premiums; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:885(B) is hereby amended and reenacted to read as follows:

8 §885. Cancellation by the insured; surrender

9 \* \* \*

10 B. Within thirty days following such cancellation the insurer shall pay to the  
11 insured or to the person entitled thereto as shown by the insurer's records, any  
12 unearned portion of any premium paid on the policy as computed on the customary  
13 pro rata rate, unless otherwise stated in a policy that has been filed with and  
14 approved by the commissioner, and any unearned commission. ~~If a mortgagee~~  
15 ~~provided written notice to the insurer of the percentage of the premium being funded~~  
16 ~~with the mortgagee's own funds, the percentage of the unearned premium attributable~~  
17 ~~to the mortgagee shall be returned to the mortgagee and the percentage of the~~  
18 ~~unearned premium attributable to the insured shall be returned to the insured.~~ If no  
19 premium has been paid on the policy, the insured shall be liable to the insurer for  
20 premium for the period during which the policy was in force. Except for surplus line  
21 insurers, any assessment of a monetary penalty by an insurer against an insured as  
22 a result of the insured's cancellation prior to the expiration of any policy is  
23 prohibited. Nothing in this Section shall prohibit an insurer from calculating

