
DIGEST

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HB 24 Original

2020 First Extraordinary Session

James

Abstract: Requires that any relief from a premium rate reduction required by the Omnibus Premium Reduction Act of 2020 be submitted for approval by the members of the House Committee on Insurance, the Senate Committee on Insurance, the House of Representatives, and the Senate.

Present law (as provided in the Act that originated as Senate Bill No. 418 of the 2020 Regular Session) provides the following:

- (1) For policies of automobile insurance issued or renewed one year following Jan. 1, 2021, each insurer shall file with the commissioner of insurance for approval of premium rates which actuarially reflect the savings it anticipates as a result of present law, which is presumed to be 10% lower for each impacted coverage, when compared to the premium rates in effect for that coverage on Jan. 1, 2021.
- (2) Each such insurer shall have the right to request all or partial relief from the presumed roll-back amount of 10% on each impacted coverage, if it can demonstrate to the commissioner of insurance that it has not experienced a sufficient reduction in loss costs to actuarially justify the full amount of presumed savings of 10%.

Proposed law provides that if the commissioner of insurance determines that an insurer is entitled to full or partial relief from the presumed roll-back amount of 10% on an impacted coverage as provided by present law (as provided in the Act that originated as Senate Bill No. 418 of the 2020 Regular Session), such relief shall be granted only upon approval by two-thirds of the members of the House Committee on Insurance, the Senate Committee on Insurance, the House of Representatives, and the Senate.

(Amends §8 of the Act that originated as SB No. 418 of the 2020 R.S.)