

2024 Regular Session

SENATE BILL NO. 295

BY SENATOR CLOUD

INSURANCE RATES. Provides for rate filing procedures and requirements for rate making.  
(gov sig)

1 AN ACT

2 To amend and reenact R.S. 22:1451, 1464(A)(2) and (D), and 1465(A)(2) and (B)(1) and to  
3 enact R.S. 22:1465(A)(4) and (D), relative to rate making; to provide for the process  
4 whereby the commissioner reviews rate filings; to provide for the approval of rate  
5 filings; to provide for certain rate filings to be deemed approved; to provide for  
6 incomplete or disapproved rate filings; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:1451, 1464(A)(2) and (D), and 1465(A)(2) and (B)(1) are hereby  
9 amended and reenacted and R.S. 22:1465(A)(4) and (D) are hereby enacted to read as  
10 follows:

11 §1451. Systems for ratemaking

12 A. ~~As used in this Subpart, the term "commissioner" shall mean the~~  
13 ~~commissioner of insurance.~~ **The provisions of this Subpart apply to all lines of**  
14 **property and casualty insurance.**

15 B. ~~The commissioner shall have the exclusive authority to accept, review, and~~  
16 ~~approve any application for insurance rates or rate changes for all lines of property~~  
17 ~~and casualty insurance. The commissioner shall exercise his authority in accordance~~

1 with the provisions of this Section.

2 C.(1) Subject to the exception specified in Subsection D of this Section, each  
3 filing submitted to the commissioner shall be on file for a waiting period of forty-  
4 five days before it becomes effective. Upon written application by the insurer or  
5 rating organization, the commissioner may authorize a filing which the  
6 commissioner has reviewed to become effective before the expiration of the waiting  
7 period. At the expiration of the forty-five day waiting period, the filing shall be  
8 deemed approved unless prior to day forty-five the filing has been affirmatively  
9 approved or disapproved by order of the commissioner. Approval of any such filing  
10 by the commissioner shall constitute a waiver of any unexpired portion of this  
11 waiting period. The commissioner may by rule, regulation, or order reduce or  
12 eliminate the waiting period specified in this Subsection. For any filing that is  
13 disapproved, the insurer may appeal the disapproval to the Nineteenth Judicial  
14 District Court within fifteen days from the receipt of written notice of disapproval.

15 (2) Unless notified by the commissioner that a filing is disapproved pursuant  
16 to this Subpart, the insurer or rating organization may commence use of the filed  
17 rates upon expiration of forty-five days from the date of receipt by the commissioner.

18 **Except as provided for in Subsection B of this Section, every authorized insurer**  
19 **shall file with the commissioner all rates, supplementary rate information, and**  
20 **all supporting information for risks to be written by the insurer in this state.**  
21 **The rates and information submitted pursuant to this Subpart shall be deemed**  
22 **approved unless the insurer is notified otherwise by the commissioner within**  
23 **thirty days of the rate filing.**

24 D.C. Insurers negotiating with and insuring commercial entities, except with  
25 regard to workers' compensation and medical malpractice insurance, with at least ten  
26 thousand dollars in annual insurance premiums, shall be required to file insurance  
27 rates or rate changes for such entities with the commissioner for informational  
28 purposes only. The commissioner may by rule, regulation, or order reduce or  
29 eliminate the annual premium threshold for those entities that enables rate filings to

1 be made under this Subsection.

2 ~~E.D.~~ All provisions of this **This** Section shall be applicable when a  
3 competitive market in property and casualty lines insurance exists. The  
4 commissioner may determine if there exists a competitive or noncompetitive market  
5 pursuant to the provisions of R.S. 22:1453, including requiring reasonable notice and  
6 a public hearing prior to determining a market to be noncompetitive. If, after a public  
7 hearing, the commissioner determines the market to be noncompetitive, all rate  
8 filings shall follow the provisions of Subsection C of this Section without regard to  
9 the exception specified in Subsection D of this Section. An aggrieved party affected  
10 by the commissioner's decision, act, or order may demand a hearing in accordance  
11 with Chapter 12 of this Title, R.S. 22:2191 et seq. **be deemed approved unless the**  
12 **insurer is notified otherwise by the commissioner within sixty days of the rate**  
13 **filing.**

14 **E. Nothing in this Section shall be construed to prohibit the**  
15 **commissioner from approving a rate filing prior to the expiration of the**  
16 **notification periods provided for in this Section.**

17 F. No provision of **Nothing in** this Section shall **be construed to** prohibit the  
18 commissioner from conducting market conduct exams to ensure the rates being  
19 charged by insurers are not inadequate, excessive, or unfairly discriminatory.

20 G. The commissioner shall not disapprove a **rate** filing that is in compliance  
21 with Subsection C **the provisions** of this Section **Subpart** on the basis of time that  
22 has elapsed since the most recent ~~rate approval by the commissioner~~ **rate filing by**  
23 **the insurer.**

24 \* \* \*

25 §1464. Rate filing

26 A.(1) \* \* \*

27 (2) ~~When~~ **If** a filing made pursuant to this Subsection is not accompanied by  
28 the information upon which the insurer or rating organization supports the rate filing,  
29 and the commissioner does not have sufficient information to determine whether the

1 rate filing meets the requirements of this Subpart, ~~it~~ **he** shall require ~~such~~ **the** insurer  
2 or rating organization to ~~furnish~~ **provide** the information upon which it supports its  
3 filing, and the ~~waiting~~ periods provided in R.S. 22:1451(~~C~~)(**T**) shall commence as of  
4 the date the information is furnished to complete the filing.

5 \* \* \*

6 D. All rates, supplementary rate information, and any supporting information  
7 filed under this Subpart shall be open to public inspection upon expiration of the  
8 ~~forty-five-day~~ **notification** period as ~~set forth in~~ **applicable pursuant to** R.S.  
9 22:1451(~~C~~)(**T**), or upon disapproval, except for information which is deemed  
10 confidential, trade secret, or proprietary by the insurer or filer.

11 \* \* \*

12 §1465. Disapproval of filings; rates; procedures

13 A.(1) \* \* \*

14 (2) If within the ~~forty-five-day waiting period or any extension of this~~  
15 **notification** period as provided in R.S. 22:1451, the commissioner finds that a **rate**  
16 filing does not meet the requirements of this Subpart, he shall send to the insurer or  
17 rating organization which made such filings written notice of disapproval of ~~such~~ **the**  
18 **rate** filing specifying wherein he finds ~~such~~ **the rate** filing ~~fails to meet~~ **is not in**  
19 **compliance with** the requirements of this Subpart, and **the commissioner** ~~stating~~  
20 **states** that ~~such~~ **the rate** filing shall ~~not become effective.~~ **become ineffective as of**  
21 **the date the written notice is sent, at which time the insurer's or rating**  
22 **organization's most recently approved rate filing shall resume effectiveness.**

23 \* \* \*

24 **(4) If a rate filing is determined to be inadequate or unfairly**  
25 **discriminatory pursuant to the provisions of this Subpart, the commissioner**  
26 **may direct the insurer to collect additional premium to ensure that the rate is**  
27 **adequate or to require a refund of any sums deemed to be discriminatory.**

28 B.(1) Any insurer whose rate filing is returned as incomplete more than once  
29 or disapproved ~~or not acted upon within forty-five days from the date of receipt by~~



(Amends R.S. 22:1451, 1464(A)(2) and (D), and 1465(A)(2) and (B)(1); adds R.S. 22:1465(A)(4) and (D))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original bill

1. Makes technical changes.
2. Provides proposed law applies to all lines of property and casualty insurance.
3. Clarifies when rates are ineffective.
4. Changes the effective date.