

2025 Regular Session

SENATE BILL NO. 62

BY SENATOR LUNEAU

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

INSURANCE COMMISSIONER. Requires the commissioner of insurance to determine if premium rates are excessive. (8/1/25)

1 AN ACT

2 To amend and reenact R.S. 22:1452(C)(6), 1454(A), and 1465(A)(1) and (4), relative to
3 insurance rate regulation; to provide for definitions; to prohibit rates from being
4 excessive; to provide for disapproval of rates; to provide for refunding of excessive
5 rates; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:1452(C)(6), 1454(A), and 1465(A)(1) and (4) are hereby amended
8 and reenacted to read as follows:

9 §1452. Purpose of rate regulation; construction; definitions

10 * * *

11 C. As used in this Subpart, the following definitions shall be applicable:

12 * * *

13 (6) "Excessive" means a rate that is likely to produce a long-term profit that
14 is unreasonably high for the insurance provided. ~~No rate in a competitive market~~
15 ~~shall be considered excessive.~~

16 * * *

17 §1454. Rating standards and methods

A. Rates shall not be inadequate or unfairly discriminatory in a competitive market. Rates shall not be excessive, inadequate, or unfairly discriminatory, in a noncompetitive market. Risks may be classified using any criteria except that no risk shall be classified on the basis of race, color, creed, or national origin.

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§1465. Disapproval of filings; rates; procedures

A.(1) The commissioner shall disapprove a rate in a competitive market only if he determines that the rate is inadequate or unfairly discriminatory. The commissioner shall disapprove a rate for use in a noncompetitive market only if he determines that the rate is excessive, inadequate, or unfairly discriminatory.

* * *

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

* * *

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, 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)]

DIGEST
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Present law provides for the regulation of insurance premium rates by the commissioner of insurance.

Present law prohibits rates in a competitive market from being inadequate or unfairly discriminatory. Further prohibits rates in a noncompetitive market from being excessive, inadequate, or unfairly discriminatory.

Proposed law extends the prohibition against excessive rates to the competitive market and provides that insurance premium rates are prohibited from being excessive, inadequate, or unfairly discriminatory, regardless of whether the market for a particular line of insurance is competitive or noncompetitive.

Present law defines a rate as "excessive" if it is likely to produce a long-term profit that is unreasonably high for the insurance provided. Further provides that no rate in a competitive market shall be considered excessive.

Proposed law repeals the prohibition against a rate in a competitive market being considered excessive.

Present law authorizes the commissioner of insurance to disapprove a rate in a competitive market only if he determines that the rate is inadequate or unfairly discriminatory. Further authorizes the commissioner to disapprove a rate for use in a noncompetitive market only if he determines that the rate is excessive, inadequate, or unfairly discriminatory.

Proposed law changes the authorizations to a requirement for the commissioner to disapprove a rate if he determines that the rate is excessive, inadequate, or unfairly discriminatory, regardless of whether the market for the particular line of insurance is competitive or noncompetitive.

Present law allows the commissioner, if a rate filing is determined to be inadequate or unfairly discriminatory, to direct the insurer to collect additional premiums to ensure that the rate is adequate or to require a refund of any sums deemed to be discriminatory.

Proposed law retains present law and further authorizes the commissioner to require a refund of any sums deemed to be excessive.

Effective August 1, 2025.

(Amends R.S. 22:1452(C)(6), 1454(A), and 1465(A)(1) and (4))