

2025 Regular Session

HOUSE BILL NO. 496

BY REPRESENTATIVE HEBERT

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

INSURANCE/AUTOMOBILE: Provides relative to lapses in required insurance coverage

## 1 AN ACT

2 To amend and reenact R.S. 22:1284.1(A) and (D) and to repeal R.S. 22:1284.1(B), relative  
3 to lapses in required liability insurance coverage; to repeal an applicable definition  
4 and certain exemptions; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 22:1284.1(A) and (D) are hereby amended and reenacted to read as  
7 follows:

8 A. ~~No~~ An insurer shall not increase the premium rate or increase or add a  
9 surcharge on any policy of motor vehicle insurance when such action is based solely  
10 on consideration of a lapse in coverage, ~~as defined in this Section.~~

11 \* \* \*

12 D. Notwithstanding any other provisions of law to the contrary, one or more  
13 lapses in coverage, ~~as defined in this Section,~~ shall not be the sole basis for an  
14 insurer's denial of an application for a policy of motor vehicle insurance nor shall  
15 such lapse in coverage be considered by an insurer in determining the rates for such  
16 a policy. In addition, ~~no~~ an insurer shall not require that ~~such~~ coverage be provided  
17 by another insurer based solely upon ~~such~~ a lapse in coverage.

18 Section 2. R.S. 22:1284.1(B) is hereby repealed in its entirety.

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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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HB 496 Original

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**Abstract:** Repeals certain exemptions and the definition relative to a policyholder's lapse in coverage.

Present law generally prohibits an insurer from increasing the premium rate or increasing or adding a surcharge on a motor vehicle insurance policy when the increase is based solely on lapse in coverage. Prohibits an insurer from denying an application for insurance based solely on lapse in coverage.

Proposed law retains present law.

Present law defines "lapse in coverage" and applies the prohibition unless the insurer gives written notice informing the policyholder that he was advised of the requirements to do either of the following:

- (1) Surrender the vehicle's license plate to the office of motor vehicles (OMV).
- (2) Notify OMV of out-of-state duty in the uniformed services.

Proposed law repeals present law.

(Amends R.S. 22:1284.1(A) and (D); Repeals R.S. 22:1284.1(B))