HLS 25RS-1016 ORIGINAL

2025 Regular Session

HOUSE BILL NO. 576

1

## BY REPRESENTATIVE ROBBY CARTER

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

INSURANCE/RATES: Provides relative to rates in competitive and noncompetitive markets

AN ACT

2	To amend and reenact R.S. 22:1452(C)(introductory paragraph) and (6), 1454(A), and
3	1465(A)(1) and to repeal R.S. 22:1451(D), 1452(C)(4) and (15), 1453, and 1455,
4	relative to the powers and duties of the commissioner of insurance; to provide for
5	rating standards and methods; to modify relative to excessive rates; to provide with
6	respect to disapproval of rates by the commissioner of insurance; to repeal relative
7	to competitive and noncompetitive markets; and to provide for related matters.
8	Be it enacted by the Legislature of Louisiana:
9	Section 1. R.S. 22:1452(C)(introductory paragraph) and (6), 1454(A), and
10	1465(A)(1) are hereby amended and reenacted to read as follows:
11	§1452. Purpose of rate regulation; construction; definitions
12	* * *
13	C. As used in this Subpart, the following definitions shall be applicable
14	apply:
15	* * *
16	(6) "Excessive" means a rate that is likely to produce a long-term profit that
17	is unreasonably high for the insurance provided. No rate in a competitive market
18	shall be considered excessive.
19	* * *

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	§1454. Rating standards and methods
2	A. Rates shall not be inadequate or unfairly discriminatory in a competitive
3	market. Rates shall not be excessive, inadequate, or unfairly discriminatory. in a
4	noncompetitive market. Risks may be classified using any criteria except that no
5	risk shall be classified on the basis of race, color, creed, or national origin.
6	* * *
7	§1465. Disapproval of filings; rates; procedures
8	A.(1) The commissioner shall disapprove a rate in a competitive market only
9	if he determines that the rate is inadequate or unfairly discriminatory. The
10	commissioner shall disapprove a rate for use in a noncompetitive market only if he
11	determines that the rate is excessive, inadequate, or unfairly discriminatory, except
12	the commissioner shall not make such a determination if the rate is actuarially
13	justified.
14	* * *
15	Section 2. R.S. 22:1451(D), 1452(C)(4) and (15), 1453, and 1455 are hereby
16	repealed in their entirety.

## **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)]

HB 576 Original

2025 Regular Session

Robby Carter

**Abstract:** Repeals relative to competitive and noncompetitive markets to generally prohibit excessive, inadequate, or unfairly discriminatory insurance rates as determined by the commissioner of insurance.

Present law provides regulations for rating standards and methods. Provides that "excessive," as the term relates to rates, means a rate that is likely to produce a long-term profit that is unreasonably high for the insurance provided. Prohibits rates in competitive markets from being considered excessive.

<u>Proposed law</u> modifies the definition of "excessive" to remove the portion that prohibits rates in competitive markets from being considered excessive. Otherwise retains present law.

Present law authorizes risk classification based on any criteria except race, color, creed, or national origin. Proposed law retains present law.

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CODING: Words in struck through type are deletions from existing law; words underscored are additions.

<u>Present law</u> prohibits rates that are inadequate or unfairly discriminatory in a competitive market. Prohibits rates that are excessive, inadequate, or unfairly discriminatory in a noncompetitive market.

<u>Proposed law</u> deletes <u>present law</u> to generally prohibit excessive, inadequate, or unfairly discriminatory rates, regardless of the market.

<u>Present law</u> requires the commissioner of insurance (commissioner) to disapprove a rate in a competitive market only if he determines the rate is inadequate or unfairly discriminatory. <u>Proposed law</u> deletes <u>present law</u>.

<u>Present law</u> requires the commissioner to disapprove a rate for use in a noncompetitive market only if he determines the rate is excessive, inadequate, or unfairly discriminatory.

<u>Proposed law</u> deletes <u>present law</u> relative to the noncompetitive market to require the commissioner's disapproval of a rate only if he determines the rate is excessive, inadequate, or unfairly discriminatory. Prohibits the commissioner's disapproval of an actuarially justified rate.

<u>Present law</u> (R.S. 22:1451(D), 1452(C)(4) and (15), 1453, and 1455) provides definitions and regulations for rates in competitive and noncompetitive markets.

Proposed law repeals present law.

(Amends R.S. 22:1452(C)(intro. para.) and (6), 1454(A), and 1465(A)(1); Repeals R.S.22:1451(D), 1452(C)(4) and (15), 1453, and 1455)