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## DIGEST

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HB 438 Engrossed

2025 Regular Session

Firment

**Abstract:** Modifies the definition of "expenses" and prohibits use of "institutional advertising expenses" in setting insurance rates.

Present law defines "expenses" and specifically excludes loss adjustment expenses.

Proposed law retains present law and further excludes "institutional advertising expenses", defined as advertising expenses not aimed at obtaining business for a specific insurer nor providing consumers with information pertinent to the decision of whether to purchase an insurance product.

Present law authorizes insurers to use certain expense provisions that reflect respective operating methods, past expenses, and anticipated expenses to determine whether the insurer's rates are excessive, inadequate, or unfairly discriminatory.

Proposed law retains present law and prohibits insurers from considering its institutional advertising expenses for the purpose of setting rates.

Effective Jan. 1, 2026.

(Amends R.S. 22:1452(C)(intro. para.) and (7) and 1454(B)(3); Adds R.S. 22:1452(C)(9.1))