

2025 Regular Session

HOUSE BILL NO. 148

BY REPRESENTATIVES WILEY AND BROWN

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

INSURANCE: Requires insurers to provide prior premium amounts with renewals of certain insurance policies and repeals the distinction between competitive and noncompetitive markets with respect to the regulation of insurance rates

1 AN ACT

2 To amend and reenact R.S. 22:881.1, 1452(C)(introductory paragraph) and (6), 1454(A), and
3 1465(A)(1) and (4) and to repeal R.S. 22:1451(D), 1452(C)(4) and (15), 1453, and
4 1455, relative to the powers and duties of the commissioner of insurance; to provide
5 with respect to rate filings and methods; to modify relative to excessive rates; to
6 provide for disapproval of rates by the commissioner of insurance; to repeal relative
7 to competitive and noncompetitive markets; to provide relative to insurers; to
8 provide relative to homeowners' and private passenger motor vehicle insurance; to
9 require insurers to provide the prior premium amount with renewals; and to provide
10 for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 22:881.1, 1452(C)(introductory paragraph) and (6), 1454(A), and
13 1465(A)(1) and (4) are hereby amended and reenacted to read as follows:

14 §881.1. Discounts; disclosure requirements; renewals and prior premiums;
15 homeowners' and motor vehicle policies

16 A. Every insurer that writes homeowners' or private passenger motor vehicle
17 insurance policies in this state shall, in writing that is not less than twelve-point font,
18 disclose all discounts that the insurer offers that may reduce the homeowners' or
19 motor vehicle insurance premium of a policyholder or prospective policyholder.

1 Insurers shall ensure that the disclosure is delivered by electronic means as defined
2 in R.S. 22:2461 or submit the disclosure within the written materials of a new policy
3 delivered to the policyholder and at each subsequent renewal. For purposes of this
4 Section, "discounts" means premium credits advertised by an insurer to
5 policyholders who meet certain criteria defined by the insurer. An insurer's failure
6 to comply with this Section does not create a cause of action.

7 B. If an insurer issues a renewal policy of homeowners' or private passenger
8 motor vehicle insurance in this state, the insurer shall provide the premium for the
9 policy last issued by the insurer with the respective renewal policy, and shall ensure
10 the prior premium is prominently displayed in close proximity to the renewal
11 premium.

12 ~~B:~~ C. This Section ~~shall~~ does not apply to excess and surplus lines.

13 * * *

14 §1452. Purpose of rate regulation; construction; definitions

15 * * *

16 C. As used in this Subpart, the following definitions ~~shall be applicable~~
17 apply:

18 * * *

19 (6) "Excessive" means a rate that is likely to produce ~~a long-term profit that~~
20 ~~is unreasonably high for the insurance provided. No rate in a competitive market~~
21 ~~shall be considered excessive.~~ a profit that is unreasonably high for the insurance
22 provided or the expense provision included therein is unreasonably high in relation
23 to the services rendered.

24 * * *

25 §1454. Rating standards and methods

26 A. ~~Rates shall not be inadequate or unfairly discriminatory in a competitive~~
27 ~~market.~~ Rates shall not be excessive, inadequate, or unfairly discriminatory. ~~in a~~

1 ~~noncompetitive market.~~ Risks may be classified using any criteria except that no
2 risk shall be classified on the basis of race, color, creed, or national origin.

3 * * *

4 §1465. Disapproval of filings; rates; procedures

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

9 * * *

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

14 * * *

15 Section 2. R.S. 22:1451(D), 1452(C)(4) and (15), 1453, and 1455 are hereby repealed
16 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 148 Reengrossed

2025 Regular Session

Wiley

Abstract: Requires insurers to provide prior premium amounts with renewals of certain insurance policies and repeals the distinction between competitive and noncompetitive markets with respect to the regulation of insurance rates.

Proposed law requires insurers renewing homeowners' or private passenger motor vehicle insurance to include the policyholder's premium for the policy last issued by the insurer. Requires insurers to prominently display the prior premium in close proximity to the renewal premium.

Present and proposed law generally provide regulations for rating standards and methods.

Present law defines "excessive." 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. Present law prohibits rates in competitive markets from being considered excessive.

Proposed law deletes present law and changes the definition of "excessive." Redefines the term as a rate that is likely to produce a profit that is unreasonably high for the insurance provided or the expense provision included with the rate is unreasonably high in relation to the services rendered.

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

Present law 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.

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

Present law 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. Proposed law deletes present law.

Present law 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.

Proposed law deletes present law relative to noncompetitive markets to require the commissioner's disapproval of a rate if he determines the rate is excessive, inadequate, or unfairly discriminatory.

Present law (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. 22:881.1, 1452(C)(intro. para.) and (6), 1454(A), and 1465(A)(1) and (4); Repeals R.S. 22:1451(D), 1452(C)(4) and (15), 1453, and 1455)

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Repeal present law provisions that distinguish between competitive and noncompetitive insurance markets when regulating rates.
2. Provide for the commissioner's determination of whether rates are excessive, inadequate, or unfairly discriminatory, regardless of market conditions.
3. Redefine "excessive" as the term relates to rates.