

2025 Regular Session

HOUSE BILL NO. 438

BY REPRESENTATIVES FIRMENT, ADAMS, BACALA, BAGLEY, BOYER, BUTLER,
CARLSON, CARRIER, ROBBY CARTER, CHENEVERT, DEVILLIER,
DEWITT, DICKERSON, EDMONSTON, EGAN, EMERSON, GADBERRY,
HENRY, HILFERTY, HORTON, MIKE JOHNSON, LACOMBE, OWEN,
SCHAMERHORN, STAGNI, VENTRELLA, AND WYBLE

1 AN ACT

2 To amend and reenact R.S. 22:1452(C)(introductory paragraph) and (7) and 1454(B)(3) and
3 to enact R.S. 22:1452(C)(9.1), relative to expenses of insurers; to provide for
4 definitions; to prohibit the use of certain expenses in setting rates; to provide for an
5 effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:1452(C)(introductory paragraph) and (7) and 1454(B)(3) are
8 hereby amended and reenacted and R.S. 22:1452(C)(9.1) is hereby enacted to read as
9 follows:

10 §1452. Purpose of rate regulation; construction; definitions

11 * * *

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

14 * * *

15 (7) "Expenses" means that portion of a rate attributable to acquisition, field
16 supervision, collection expenses, general expenses, taxes, licenses, and fees and does
17 not include loss adjustment expenses or institutional advertising expenses.

18 * * *

19 (9.1) "Institutional advertising expenses" means advertising not aimed at
20 obtaining business for a specific insurer nor providing consumers with information
21 pertinent to the decision as to whether to purchase an insurance product.

22 * * *

1 §1454. Rating standards and methods

2 * * *

3 B. In determining whether rates are excessive, inadequate, or unfairly
4 discriminatory, consideration may be given to the following items:

5 * * *

6 (3) Expenses. The expense provisions shall reflect the operating methods of
7 the insurer, the past expense experience of the insurer, and anticipated future
8 expenses. However, an insurer shall not consider its institutional advertising
9 expenses for the purpose of setting rates.

10 * * *

11 Section 2. This Act shall become effective on January 1, 2026.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____