

RÉSUMÉ DIGEST

ACT 85 (HB 438)

2025 Regular Session

Firment

Existing law provides for advertising expenses and prohibits insurers' use of certain expenses in setting insurance rates. Defines "expenses" and specifically excludes loss adjustment expenses.

New law retains existing 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.

Existing 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.

New law retains existing law and prohibits insurers from considering institutional advertising expenses for the purpose of setting rates.

Effective January 1, 2026.

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