
DIGEST

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HB 311 Original

2019 Regular Session

Norton

Abstract: Prohibits an insurer from making motor vehicle liability policy decisions based solely upon certain criteria and requires a reduction in premiums by a minimum of 5% for insurance policies covering bodily injury and property damage.

Present law requires drivers to maintain proof of minimum financial responsibility in the form of a motor vehicle liability insurance policy in the following amounts:

- (1) \$25,000 for property damage.
- (2) \$15,000 for bodily injury.

Proposed law retains present law.

Proposed law requires a motor vehicle insurance premium rate reduction of 5% for bodily injury liability and property damage liability coverage which will apply upon the issuance or renewal of a policy.

Proposed law prohibits, in accordance with present law, an insurer from refusing to issue or failing to renew any motor vehicle liability insurance policy to a person or business, solely because of the race of the applicant or the economic condition of the area in which the property sought to be insured is located, unless the refusal to issue or failure to renew is based on sound actuarial principles or is related to actual experience.

Proposed law further prohibits an insurer from determining the rate for a motor vehicle liability policy, or any portion of coverage of the policy, solely based upon any of the following:

- (1) The make and model of the motor vehicle.
- (2) The primary residence of the insured or the location of the motor vehicle.
- (3) The credit information of the insured as provided by present law, R.S. 22:1501 et seq.
- (4) The use of a single U.S. Postal Service ZIP Code or a combination of ZIP Codes as a rating territory.

Proposed law provides that an insurer shall be fined \$10,000 for each violation.

Proposed law requires the commissioner of insurance to promulgate all rules and regulations necessary for the enforcement of proposed law including, at a minimum, both of the following:

- (1) A mechanism in which complaints concerning alleged discriminatory practices by insurers can be received and investigated.
- (2) A provision allowing for an administrative hearing prior to the imposition of the penalty provided for in proposed law.

Proposed law grants any person discriminated against in violation of proposed law a personal right of action against the insurer and authorizes the filing of a suit against the insurer in a court of competent jurisdiction. Further provides that, upon a finding of discrimination on the part of the insurer, the insurer shall be responsible for actual damages suffered by the injured party and reasonable attorney fees.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 32:1101-1121)