

Regular Session, 2011

SENATE BILL NO. 84

BY SENATOR MORRISH

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

INSURANCE PREMIUMS. Provides for the calculation of unearned premium in the event of cancellation by the insured. (8/15/11)

AN ACT

To amend and reenact R.S. 22:885(B), relative to cancellation by the insured; to provide for the calculation of any unearned premium to be returned to the insured; to authorize calculating the unearned premium based on a short-rate provision contained in the policy filed with the commissioner; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:885(B) is hereby amended and reenacted to read as follows:

§885. Cancellation by the insured; surrender

* * *

B. Within thirty days following such cancellation the insurer shall pay to the insured or to the person entitled thereto as shown by the insurer's records, any unearned portion of any premium paid on the policy as computed on the customary pro rata rate, or as **unless** otherwise specified **stated** in the **a** policy **that has been filed with the commissioner**, and any unearned commission. ~~In the event a personal line or commercial line insurance policy is canceled, any unearned premium and commission shall be computed on a pro rata basis. If no premium has been paid on the policy, the insured shall be liable to the insurer for premium for the period during~~

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DIGEST

(Amends R.S. 22:885(B))