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## DIGEST

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Little

HB No. 446

**Abstract:** Limits applicability of insurance cancellation provisions to exclude credit property and casualty insurance.

Present law provides that an insured may cancel an insurance policy by written notice to the insurer and surrender of the insurance policy. Upon cancellation, the insurer shall pay to the insured any unearned portions that the insured has paid on the premium.

Present law provides that cancellation by the insured of any policy susceptible to cancellation may be done so by written notice to the insurer and surrender of the policy prior to or on the effective date of such cancellation. In the event the policy or binder has been lost or destroyed and cannot be surrendered, the insurer may in lieu of such surrender accept and in good faith rely upon the insured's written statement setting forth the fact of such loss or destruction.

Present law further provides that within 30 days following the cancellation the insurer shall pay to the insured or to the person entitled 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 otherwise specified in the policy, and any unearned commission. Present law provides that if no premium has been paid on the policy, the insured shall be liable to the insurer for premium for the period during which the policy was in force.

Present law excepts life insurance policies, annuity contracts, and contracts provided for in present law from the cancellation requirements.

Proposed law further excepts credit property and casualty insurance, as defined in present law, from application of present law. Otherwise retains present law.

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