

SENATE BILL NO. 84

BY SENATOR MORRISH

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

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 and approved by 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 and approved by 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 which the policy was in force. Except for surplus line insurers, any assessment of a monetary penalty by an insurer against an insured as a result of the insured's cancellation prior to the expiration of any policy is prohibited.~~ **Nothing in this Section shall prohibit an insurer from calculating**

1 unearned premium based on a short-rate provision contained in any insurance
2 policy that has been filed with and approved by the commissioner.

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PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____