ACT No. 135

SENATE BILL NO. 84

BY SENATOR MORRISH

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

1   AN ACT

2   To amend and reenact R.S. 22:885(B), relative to cancellation by the insured; to provide for

3   the calculation of any unearned premium to be returned to the insured; to authorize

4   calculating the unearned premium based on a short-rate provision contained in the

5   policy filed with and approved by the commissioner; and to provide for related

6   matters.

7   Be it enacted by the Legislature of Louisiana:

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

9   §885. Cancellation by the insured; surrender

10   *   *   *

11   B. Within thirty days following such cancellation the insurer shall pay to the

12   insured or to the person entitled thereto as shown by the insurer's records, any

13   unearned portion of any premium paid on the policy as computed on the customary

14   pro rata rate, or as **unless** otherwise specified **stated** in the **a** policy **that has been**

15   **filed with and approved by the commissioner**, and any unearned commission. In

16   the event a personal line or commercial line insurance policy is canceled, any

17   unearned premium and commission shall be computed on a pro rata basis. If no

18   premium has been paid on the policy, the insured shall be liable to the insurer for

19   premium for the period during which the policy was in force. Except for surplus line

20   insurers, any assessment of a monetary penalty by an insurer against an insured as

21   a result of the insured's cancellation prior to the expiration of any policy is

22   prohibited. **Nothing in this Section shall prohibit an insurer from calculating**

Coding: Words which are struck through are deletions from existing law;
words in **boldface type and underscored** are additions.

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.**

3   *   *   *

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____