Little (HB 446) **Act No. 21**

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

Existing 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. Further provides that, 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.

Existing law further requires that, within 30 days following the cancellation, the insurer 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. Additionally 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.

Existing law excepts life insurance policies, annuity contracts, and fire and extended coverage contracts from these cancellation requirements.

New law further excepts credit property and casualty insurance from application of existing law relative to cancellation requirements. Otherwise retains existing law.

Effective August 15, 2011.

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