
DIGEST

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Thibaut

HB No. 154

Abstract: Provides that an insurer may apply an overpayment of an insurance premium toward future premiums as long as the overpayment, plus interest, equals \$25 or less.

Present law provides that any refund due to an insured by an insurer because of cancellation, elimination, or reduction of coverage shall be returned with interest at the rate of 1.1% per month, which shall begin to accrue either 30 days after the insured's letter of cancellation, elimination, or reduction to the insurer or delivery of the request for such a refund. Present law is not applicable to health insurance, life insurance, or annuities.

Proposed law changes the time period which triggers an insured's refund to begin to accrue interest at a rate of 1.1% per month from 30 days to 60 days after the insured's letter of cancellation, elimination, or reduction to the insurer or delivery of the request for such a refund.

Proposed law provides that if a refund of \$25 or less, including interest, is due to an insured who continues to maintain a policy of insurance with the insurer or an affiliated insurer, that the insurer may apply the refund to the insured's next premium in the form of a credit.

Proposed law requires that the insurer give written notice of the credit amount to the insured upon policy renewal.

(Amends R.S. 22:1268(A)(intro. para.) and (2) and 1287)