

Regular Session, 2012

HOUSE BILL NO. 154

BY REPRESENTATIVE THIBAUT

INSURANCE/POLICIES: Provides relative to policy refunds

1 AN ACT

2 To amend and reenact R.S. 22:1268(A)(2) and 1287, relative to policy refunds and interest;  
3 to provide for the crediting of refund amounts against future premiums; to provide  
4 for the accrual of interest on refunds; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 22:1268(A)(2) and 1287 are hereby amended and reenacted to read  
7 as follows:

8 §1268. Interest on refund; exception

9 A. Any refund due an insured by an insurer writing or delivering insurance  
10 policies excluding health insurance, life insurance, and annuities in the state because  
11 of either cancellation, elimination, or reduction of coverage by the insurer or the  
12 insured, shall be accompanied with interest at the rate of one and one-half percent  
13 per month of the amount of the refund due the customer, without the benefit of daily  
14 proration of this monthly interest, after thirty days of either of the following:

15 \* \* \*

16 (2) Delivery to the insurer's state, regional, or home office, from which such  
17 refund would issue, of the written request for such cancellation, elimination, or  
18 reduction. An insurer shall be deemed in compliance with this Section and not  
19 subject to the further accrument of interest by furnishing timely evidence of the  
20 mailing of such refund to the last known address of the insured. However, when the



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)(2) and 1287)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Insurance to the original bill.

1. Made technical changes.
2. Changed back to present law the applicable time period at which interest will begin to accrue from 60 days to 30 days.