

Regular Session, 2012

ACT No. 55

HOUSE BILL NO. 154

BY REPRESENTATIVE THIBAUT

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
21 insured continues to maintain a policy of insurance with the insurer, or an affiliated
22 insurer, and the amount of the refund plus interest is twenty-five dollars or less, the
23 insurer may credit the amount of the payment against future premiums. The insurer
24 shall give written notice to the insured of the credit and the amount at policy renewal.

25 * * *

1 §1287. Overpayments; surplus premium; endorsement credits

2 All automobile insurers shall as soon as reasonably possible, but in no event
3 later than ~~thirty~~ sixty days, pay to the premium finance company, if the premium has
4 been financed or if not financed, to the insured, or the person entitled thereto as
5 shown by the automobile insurer's records any overpayment or surplus and
6 commission paid or due on the policy. The failure to pay the person owed the money
7 within the ~~thirty~~ sixty-day period shall entitle that person to recover monetary
8 penalties and interest. In the event the insured is due a credit from an endorsement
9 or change to the policy, the return premium and commission shall be computed on
10 a pro rata basis. However, when the insured continues to maintain a policy of
11 insurance with the insurer, or an affiliated insurer, and the amount of the refund plus
12 interest is twenty-five dollars or less, the insurer may credit the amount of the
13 payment against future premiums. The insurer shall give written notice to the
14 insured of the credit and the amount at policy renewal.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____