

Prior law provided 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. Prior law is not applicable to health insurance, life insurance, or annuities.

New law provides that when a refund equals an amount 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, the insurer may apply the refund to the insured's next premium in the form of a credit.

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

Effective August 1, 2012.

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