
DIGEST

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Seabaugh

HB No. 665

Abstract: Prohibits insurers from reducing the limits of liability in an insurance policy by the cost of defense.

Proposed law prohibits insurers from issuing a liability policy that includes reducing the policy's limits of liability by the cost to defend a claim.

Proposed law prevents the commissioner of insurance from waiving the prohibition for all personal lines, and medical malpractice insurance, but allows the commissioner to waive the prohibition for other types of coverage.

Proposed law provides the requirements for any policy or contract of insurance issued pursuant to a waiver.

Proposed law authorizes the commissioner of insurance to promulgate rules in accordance with the APA.

(Adds R.S. 22:1272)

Summary of Amendments Adopted by House

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

1. Clarified that the insurance policy must be issued by an authorized insurer.
2. Deleted commercial vehicle and commercial general liability from the types of insurance for which the commissioner may not waive the prohibitions enacted by proposed law.
3. Deleted authority of commissioner of insurance to prescribe the form, content and placement of the notice that the insurance contract contain defense costs within the limit of liability.
4. Clarified that proposed law shall not apply to "surplus lines insurance".
5. Made technical changes.