

2025 Regular Session

HOUSE BILL NO. 576

BY REPRESENTATIVE ROBBY CARTER

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

INSURANCE/RATES: Provides relative to rates in competitive and noncompetitive markets

1 AN ACT

2 To amend and reenact R.S. 22:1452(C)(introductory paragraph) and (6), 1454(A), and
3 1465(A)(1) and to repeal R.S. 22:1451(D), 1452(C)(4) and (15), 1453, and 1455,
4 relative to the powers and duties of the commissioner of insurance; to provide for
5 rating standards and methods; to modify relative to excessive rates; to provide with
6 respect to disapproval of rates by the commissioner of insurance; to repeal relative
7 to competitive and noncompetitive markets; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 22:1452(C)(introductory paragraph) and (6), 1454(A), and
10 1465(A)(1) are hereby amended and reenacted to read as follows:

11 §1452. Purpose of rate regulation; construction; definitions

12 * * *

13 C. As used in this Subpart, the following definitions ~~shall be applicable~~
14 apply:

15 * * *

16 (6) "Excessive" means a rate that is likely to produce a long-term profit that
17 is unreasonably high for the insurance provided. ~~No rate in a competitive market~~
18 ~~shall be considered excessive.~~

19 * * *

Present law prohibits rates that are inadequate or unfairly discriminatory in a competitive market. Prohibits rates that are excessive, inadequate, or unfairly discriminatory in a noncompetitive market.

Proposed law deletes present law to generally prohibit excessive, inadequate, or unfairly discriminatory rates, regardless of the market.

Present law requires the commissioner of insurance (commissioner) to disapprove a rate in a competitive market only if he determines the rate is inadequate or unfairly discriminatory. Proposed law deletes present law.

Present law requires the commissioner to disapprove a rate for use in a noncompetitive market only if he determines the rate is excessive, inadequate, or unfairly discriminatory.

Proposed law deletes present law relative to the noncompetitive market to require the commissioner's disapproval of a rate only if he determines the rate is excessive, inadequate, or unfairly discriminatory. Prohibits the commissioner's disapproval of an actuarially justified rate.

Present law (R.S. 22:1451(D), 1452(C)(4) and (15), 1453, and 1455) provides definitions and regulations for rates in competitive and noncompetitive markets.

Proposed law repeals present law.

(Amends R.S. 22:1452(C)(intro. para.) and (6), 1454(A), and 1465(A)(1); Repeals R.S.22:1451(D), 1452(C)(4) and (15), 1453, and 1455)