

2025 Regular Session

SENATE BILL NO. 172

BY SENATOR ALLAIN

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

PROPERTY INSURANCE. Provides relative to property insurance. (8/1/25)

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AN ACT

To amend and reenact R.S. 22:1261(A), 1262, 1264(A) and (C), 1265(A)(1), the introductory paragraph of 1266(A), 1266(B)(2), (C), (D)(1), the introductory paragraph of (E)(1), (E)(2), (G), and (M)(1), the introductory paragraph of 1267(B), 1267(B)(2) and (3), (D)(1), (E)(1), and (G)(1), the introductory paragraph of 1267.1(A), 1268(A), 1269(A), (B)(2) and (4)(b), and (C), 1270(A), and 1271(A), relative to property insurance; to provide for property insurance; to provide for the regulation of property insurance; to provide for the operation of property insurance; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1261(A), 1262, 1264(A) and (C), 1265(A)(1), the introductory paragraph of 1266(A), 1266(B)(2), (C), (D)(1), the introductory paragraph of (E)(1), (E)(2), (G), and (M)(1), the introductory paragraph of 1267(B), 1267(B)(2) and (3), (D)(1), (E)(1), and (G)(1), the introductory paragraph of 1267.1(A), 1268(A), 1269(A), (B)(2) and (4)(b), and (C), 1270(A), and 1271(A) are hereby amended and reenacted to read as follows:

§1261. Renewal of policy; increase in premiums prohibited

A. ~~Any~~ **An** insurance policy terminating by **it's the policy's** terms at a

1 specified expiration date and not otherwise renewable may be renewed or extended
 2 at the option of the insurer. ~~Such~~ The renewal shall be made upon a currently
 3 authorized renewal form and at the premium rate then required for a specific
 4 additional period or periods by a certificate or by endorsement of the policy, and
 5 without requiring the issuance of a new policy.

6 * * *

7 §1262. Annulment of liability policies

8 No An insurance contract insuring against loss or damage through legal
 9 liability for the bodily injury or death by accident of any individual, or for damage
 10 to the property of any person, shall not be retroactively annulled by any agreement
 11 between the insurer and insured after the occurrence of any ~~such~~ injury, death, or
 12 damage for which the insured may be liable, and any ~~such~~ annulment attempted shall
 13 be null and void.

14 * * *

15 §1264. Presumption of coverage

16 A. For losses that arose due to a catastrophic event for which a state of
 17 disaster or emergency was declared pursuant to law by civil officials, for those areas
 18 within the declaration, ~~no~~ damages to covered property shall not be automatically
 19 denied by the inability of the policyholder to provide sufficient proof of loss within
 20 the time limits and requirements of the policy. The time limit for the submission of
 21 proof of loss shall be not less than one hundred eighty days. The time limit shall not
 22 commence as long as a declaration of emergency is in existence and civil authorities
 23 are denying the insured access to the property.

24 * * *

25 C. The provisions of this Section ~~shall be applicable~~ apply to all new policies
 26 and renewal policies delivered in the state of Louisiana after April 18, 2006.

27 §1265. Property, casualty, and liability insurance policies; cancellation and
 28 nonrenewal provisions; nonrenewal for rate inadequacy; certain
 29 prohibitions

1 state or be accompanied by a statement that upon written request of the named
2 insured, mailed or delivered to the insurer within six months after the effective date
3 of cancellation, the insurer will specify the reason for ~~such~~ **the** cancellation. This
4 Subsection ~~shall~~ **does** not apply to nonrenewal.

5 * * *

6 E.(1) ~~No~~ **An** insurer shall **not** fail to renew a policy unless ~~it shall mail or~~
7 ~~deliver~~ **the insurer mails or delivers** to the named insured, at the address shown in
8 the policy, at least twenty days advance notice of its intention not to renew. This
9 Subsection shall not apply:

10 * * *

11 (2) Renewal of a policy shall not constitute a waiver or estoppel with respect
12 to grounds for cancellation which existed before the effective date of ~~such~~ **the**
13 renewal.

14 * * *

15 G. When a policy of automobile liability insurance is cancelled, other than
16 for nonpayment of premium, or in the event of failure to renew a policy of
17 automobile liability insurance to which Subsection D applies, the insurer shall notify
18 the named insured of his possible eligibility for automobile liability insurance
19 through the automobile liability assigned risk plan. ~~Such~~ **The** notice shall accompany
20 or be included in the notice of cancellation or the notice of intent not to renew.

21 * * *

22 M.(1) An insurance premium finance company that finances any part of an
23 insurance policy governed by this Section shall cooperate with the department in any
24 investigation regarding ~~such~~ **the** insurance policy.

25 * * *

26 §1267. Commercial insurance; cancellation and renewal

27 * * *

28 B. For the purposes of this Section, the following terms ~~shall~~ mean:

29 * * *

1 (2) "Expiration date" means the date upon which coverage under a policy
2 ends. It also means, for a policy written for a term longer than one year or with no
3 fixed expiration date, each annual anniversary date of ~~such~~ the policy.

4 (3) "Nonpayment of premium" means the failure or inability of the named
5 insured to discharge any obligation in connection with the payment of premiums on
6 a policy of insurance subject to this regulation, whether ~~such~~ the payments are
7 payable directly to the insurer or its producer or indirectly payable under a premium
8 finance plan or extension of credit.

9 * * *

10 D.(1) An insurer may decide not to renew a policy if it delivers or mails to
11 the first-named insured at the address shown on the policy written notice it will not
12 renew the policy. ~~Such~~ The notice of nonrenewal shall be mailed or delivered at least
13 sixty days before the expiration date. ~~Such~~ The notice to the insured shall include the
14 insured's loss run information for the period the policy has been in force within, but
15 not to exceed, the last three years of coverage. If the notice is mailed less than sixty
16 days before expiration, coverage shall remain in effect under the same terms and
17 conditions until sixty days after notice is mailed or delivered. Earned premium for
18 any period of coverage that extends beyond the expiration date shall be considered
19 pro rata based upon the previous year's rate. For purposes of this Section, the transfer
20 of a policyholder between companies within the same insurance group shall not be
21 a refusal to renew. In addition, changes in the deductible, changes in rate, changes
22 in the amount of insurance, or reductions in policy limits or coverage shall not be
23 refusals to renew.

24 * * *

25 E.(1) An insurer shall mail or deliver to the named insured at the mailing
26 address shown on the policy written notice of any rate increase, change in deductible,
27 or reduction in limits or coverage at least thirty days prior to the expiration date of
28 the policy. If the insurer fails to provide ~~such~~ the thirty-day notice, the coverage
29 provided to the named insured at the expiring policy's rate, terms, and conditions

1 shall remain in effect until notice is given or until the effective date of replacement
 2 coverage obtained by the named insured, whichever first occurs. For the purposes of
 3 this Subsection, notice is considered given thirty days following date of mailing or
 4 delivery of the notice. If the insured elects not to renew, any earned premium for the
 5 period of extension of the terminated policy shall be calculated pro rata at the lower
 6 of the current or previous year's rate. If the insured accepts the renewal, the premium
 7 increase, if any, and other changes shall be effective the day following the prior
 8 policy's expiration or anniversary date.

* * *

10 G.(1) An insurance premium finance company that finances any part of an
 11 insurance policy governed by this Section shall cooperate with the department in any
 12 investigation regarding ~~such~~ the insurance policy.

* * *

14 §1267.1. Commercial insurance deductibles applied to named storm, hurricane, and
 15 wind and hail deductibles

16 A. For purposes of this Section, **the following definitions apply:**

* * *

18 §1268. Interest on refund; exception

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

25 (1) The delivery to the insured of the written notice of ~~such~~ the cancellation,
 26 elimination, or reduction.

27 (2) Delivery to the insurer's state, regional, or home office, from which ~~such~~
 28 **the** refund would issue, of the written request for ~~such~~ the cancellation, elimination,
 29 or reduction. An insurer shall be deemed in compliance with this Section and not

1 subject to the further accrument of interest by furnishing timely evidence of the
 2 mailing of ~~such~~ the refund to the last known address of the insured. However, when
 3 the insured continues to maintain a policy of insurance with the insurer, or an
 4 affiliated insurer, and the amount of the refund plus interest is twenty-five dollars or
 5 less, the insurer may credit the amount of the payment against future premiums. The
 6 insurer shall give written notice to the insured of the credit and the amount at policy
 7 renewal.

* * *

9 §1269. Liability policy; insolvency or bankruptcy of insured and inability to effect
 10 service of citation or other process; direct action against insurer

11 A. ~~No~~ A policy or contract of liability insurance shall **not** be issued or
 12 delivered in this state, unless it contains provisions to the effect that the insolvency
 13 or bankruptcy of the insured shall not release the insurer from the payment of
 14 damages for injuries sustained or loss occasioned during the existence of the policy,
 15 and any judgment which may be rendered against the insured for which the insurer
 16 is liable which shall have become executory, shall be deemed prima facie evidence
 17 of the insolvency of the insured, and an action may thereafter be maintained within
 18 the terms and limits of the policy by the injured person, or his survivors, mentioned
 19 in Civil Code Art. 2315.1, or heirs against the insurer.

B. * * *

21 (2) This right of direct action shall exist whether or not the policy of
 22 insurance sued upon was written or delivered in the state of Louisiana and whether
 23 or not ~~such~~ the policy contains a provision forbidding ~~such~~ direct action, provided
 24 the accident or injury occurred within the state of Louisiana. Nothing contained in
 25 this Section shall be construed to affect the provisions of the policy or contract if
 26 ~~such~~ the provisions are not in violation of the laws of this state.

* * *

(4)(a) * * *

29 (b) A court shall not disclose the existence of insurance coverage to the jury

1 or mention ~~such~~ **the** coverage in the jury's presence unless required by Code of
2 Evidence Article 411.

3 * * *

4 C. It is the intent of this Section that any action brought under the provisions
5 of this Section shall be subject to all of the lawful conditions of the policy or contract
6 and the defenses which could be urged by the insurer to a direct action brought by
7 the insured, provided the terms and conditions of ~~such~~ **the** policy or contract are not
8 in violation of the laws of this state.

9 * * *

10 §1270. Personal property; specific coverage; valuation; exemptions

11 A. In any case in which a policy includes coverage for loss of or damage to
12 personal property of the insured, from whatever cause, if the insurer places a
13 valuation upon the specific item of covered property and uses ~~such~~ **the** valuation for
14 purposes of determining the premium charge to be made under the policy, the insurer
15 shall compute any covered loss of or damage to ~~such~~ **the** property which occurs
16 during the term of the policy at ~~such~~ **the** valuation without deduction or offset, unless
17 a different method is to be used in the computation of loss, in which latter case, the
18 policy, and any application for the policy, shall set forth in type of prominent size,
19 the actual method of ~~such~~ **the** loss computation by the insurer.

20 * * *

21 §1271. Identification of property upon which premium is due

22 A. Any bill or other notice requiring payment of a premium for a policy of
23 property or casualty insurance which is sent by an insurer to its policyholder shall
24 identify the insured property sufficiently to allow the policyholder to identify the
25 property upon which the premium is due. ~~Such~~ **The** identification may be by
26 description or may be by address if the property is real estate.

27 * * *

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

DIGEST

SB 172 Original 2025 Regular Session Allain

Present law provides for renewal of insurance policies.

Proposed law retains present law and makes technical changes.

Present law provides for annulment of liability policies.

Proposed law retains present law and makes technical changes.

Present law provides presumption of coverage.

Proposed law retains present law and makes technical changes.

Present law provides property, casualty, and liability policies.

Proposed law retains present law and makes technical changes.

Present law provides for cancellation of automobile, property, casualty, and liability policies.

Proposed law retains present law and makes technical changes.

Present law provides for commercial insurance.

Proposed law retains present law and makes technical changes.

Present law provides for named storm, hurricane, and wind and hail deductibles for commercial policies.

Proposed law retains present law and makes technical changes.

Present law provides for interest on refunds due an insured.

Proposed law retains present law and makes technical changes.

Present law provides for provisions regarding the insolvency or bankruptcy of an insured.

Proposed law retains present law and makes technical changes.

Present law provides for personal property insurance.

Proposed law retains present law and makes technical changes.

Present law provides for identification of property upon which the premium is due.

Proposed law retains present law and makes technical changes.

Effective August 1, 2025.

(Amends R.S. 22:1261(A), 1262, 1264(A) and (C), 1265(A)(1), 1266(A)(intro para), 1266(B)(2), (C), (D)(1), (E)(1)(intro para), (E)(2), (G), and (M)(1), 1267(B)(intro para),

1267(B)(2) and (3), (D)(1), (E)(1), and (G)(1), 1267.1(A)(intro para), 1268(A), 1269(A), (B)(2) and (4)(b), and (C), 1270(A), and 1271(A))