

2025 Regular Session

HOUSE BILL NO. 496

BY REPRESENTATIVES HEBERT, BAMBURG, BAYHAM, BERAULT, BILLINGS, BOYD, BOYER, BRYANT, BUTLER, CARRIER, ROBBY CARTER, CARVER, COATES, DEVILLIER, EDMONSTON, FISHER, GLORIOSO, JORDAN, LAFLEUR, LARVADAIN, LYONS, MARCELLE, MCFARLAND, MILLER, MOORE, NEWELL, SCHLEGEL, STAGNI, TAYLOR, AND WYBLE

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

INSURANCE/AUTOMOBILE: Provides relative to lapses in required insurance coverage

1 AN ACT

2 To amend and reenact R.S. 22:1284.1(A) and (D) and to repeal R.S. 22:1284.1(B), relative  
3 to lapses in required liability insurance coverage; to repeal references to certain  
4 exemptions; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 22:1284.1(A) and (D) are hereby amended and reenacted to read as  
7 follows:

8 §1284.1. Motor vehicle insurance; consideration of lapse in coverage ~~prohibited~~

9 A.(1)(a) ~~No~~ An insurer shall not increase the premium rate or increase or add  
10 a surcharge on any policy of motor vehicle insurance ~~when such action is based~~  
11 ~~solely on consideration of a~~ based on an insured's first lapse in coverage, as defined  
12 ~~in this Section.~~ Any subsequent lapse in coverage may result in an increased  
13 premium rate or surcharge on a policy. Each time an insured maintains continuous  
14 coverage for five or more consecutive years following a lapse in coverage, the  
15 insurer shall treat the first subsequent lapse in coverage as a first lapse for the  
16 purposes of this Section.

17 (b) As used in this Section, "lapse in coverage" or "lapse" means any period  
18 during which the owner of a motor vehicle ceases to maintain liability coverage on  
19 a vehicle as required by the Motor Vehicle Safety Responsibility Law.



Present law prohibits an insurer from denying an application for insurance based solely on a lapse in coverage. Prohibits an insurer from requiring the insured to seek coverage from another insurer solely due to a lapse in coverage.

Proposed law retains present law.

(Amends R.S. 22:1284.1(A) and (D); Repeals R.S. 22:1284.1(B))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Prohibit an insurer from increasing premiums or adding surcharges based on an insured's first lapse in coverage. Authorize an insurer to increase rates or surcharges for any subsequent lapses in coverage.
2. Retain the definition of "lapse in coverage" and delete certain language prohibiting insurers' consideration of lapses in coverage.

The House Floor Amendments to the engrossed bill:

1. Mandate an insurer to treat an insured's first subsequent lapse as a first-time lapse, provided the insured maintained continuous coverage for at least five consecutive years following the prior lapse.
2. Specify that an insurer's removal of a discount, due to an insured no longer qualifying, does not constitute a premium rate increase or a surcharge.
3. Make technical changes.