

**SENATE COMMITTEE AMENDMENTS**

2025 Regular Session

Substitute for Original Senate Bill No. 172 by Senator Allain as proposed by Senate Committee on Insurance.

**This document reflects the content of a substitute bill but is not in a bill form; page numbers in this document DO NOT correspond to page numbers in the substitute bill itself.**

To amend and reenact R.S. 22:1354(1), 1452(C)(6), 1453, 1454(A), and 1465(A)(1) and (4), to enact R.S. 22:1452(C)(26), and to repeal R.S. 22:1451(D), 1452(4) and (15), and 1455, relative to insurance rate regulation; to provide for definitions; to prohibit rates from being excessive; to provide for disapproval of rates; to provide for refunding of rates; to provide for repealing distinctions between competitive and noncompetitive markets; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1354(1), 1452(C)(6), 1453, 1454(A) and (B), and 1465(A)(1) and (4) are hereby amended and reenacted and R.S. 22:1452(C)(26) is hereby enacted to read as follows:

§1354. Travel protection plans

Travel protection plans may be offered for one price for the combined features that the travel protection plan offers in this state if all of the following are met:

(1) There is no finding by the commissioner, ~~pursuant to R.S. 22:1453~~, that the travel insurance market in the state is noncompetitive or that the travel protection plan restricts competition by either significantly decreasing output or efficiency in the market or that a travel insurer or travel retailer is exerting sufficient market power in providing travel insurance or a travel protection plan such that competition is adversely impacted or that the travel protection plan would exact burdensome terms that would not exist in a competitive market.

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§1452. Purpose of rate regulation; construction; definitions

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C. As used in this Subpart, the following definitions shall be applicable:

\* \* \*

(6) "Excessive" means a rate that is likely to produce a long-term profit that is unreasonably high for the insurance provided or the expense provision, as defined in R.S. 22:1454(B)(3), included therein is unreasonably high in relation to the services rendered. ~~No rate in a competitive market shall be considered excessive.~~

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**(26) "Unreasonably high" means a rate that does not comply with the Actuarial Standards of Practice adopted by the American Academy of Actuaries.**

\* \* \*

§1453. Competitive market

~~A.(1) A competitive market for a line of insurance is presumed to exist unless the commissioner, after giving reasonable notice and after conducting a public hearing, determines that a reasonable degree of competition does not exist within a market and issues a ruling that a reasonable degree of competition in the market for a particular line of insurance does not exist. In any public hearing to determine whether a competitive market exists for a line of insurance, the party alleging that competition does not exist shall have the burden of proving that market competition does not exist.~~

~~(2) If the commissioner issues a ruling pursuant to this Section that a competitive market does not exist for a line of insurance, the ruling shall identify those factors listed in Subsection B of this Section that have caused the market to be noncompetitive and shall describe the action or actions to be undertaken by the commissioner and the state to return competition to the market.~~

~~(3) Each ruling that a market is not competitive shall expire one year from the date of issuance unless rescinded by the commissioner prior to such date or renewed by the commissioner pursuant to this Subsection.~~

~~(4) The commissioner may renew a ruling that a market is not competitive if, after conducting a public hearing on such renewal, the commissioner determines that a continued lack of reasonable competition exists in the market for a line of insurance. The action to renew a finding of no competition under this Subsection~~

~~shall state the actions undertaken by the commissioner and the state to restore competition and the reasons such actions failed to return competition to the market.~~

~~B. The following factors shall be considered by the commissioner in determining if a reasonable degree of competition exists in a particular line of insurance:~~

~~(1) The number of insurers or groups of affiliated insurers providing coverage in the market.~~

~~(2) Measures of market concentration and changes of market concentration over time.~~

~~(3) Ease of entry into the market and the existence of financial or economic barriers preventing new insurers from entering the market.~~

~~(4) The extent to which any insurer or group of affiliated insurers controls all or a portion of the market.~~

~~(5) Whether the total number of companies writing the line of insurance in this state is sufficient to provide multiple options.~~

~~(6) The availability of insurance coverage to consumers in the market.~~

~~(7) The opportunities available to consumers in the market to acquire pricing and other consumer information.~~

~~C.~~ The commissioner shall ~~regularly~~ **continuously** monitor the degree and existence of competition in the state. The commissioner may utilize existing relevant information, analytical systems, and other sources, or any combination of such items. These monitoring activities may be conducted within the Department of Insurance, in cooperation with other state insurance regulators, through outside contractors, or in any other appropriate manner.

~~D.~~ **B.** An aggrieved party affected by the commissioner's decision, act, or order may demand a hearing in accordance with Chapter 12 of this Title, R.S. 22:2191 et seq.

§1454. Rating standards and methods

~~A. Rates shall not be inadequate or unfairly discriminatory in a competitive market.~~ Rates shall not be excessive, inadequate, or unfairly discriminatory in a

~~noncompetitive market~~. Risks may be classified using any criteria except that no risk shall be classified on the basis of race, color, creed, or national origin.

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§1465. Disapproval of filings; rates; procedures

A.(1) ~~The commissioner shall disapprove a rate in a competitive market only if he determines that the rate is inadequate or unfairly discriminatory.~~ The commissioner shall disapprove a rate for use ~~in a noncompetitive market only~~ if he determines that the rate is excessive, inadequate, or unfairly discriminatory.

\* \* \*

(4) If a rate filing is determined to be **excessive**, inadequate, or unfairly discriminatory pursuant to the provisions of this Subpart, the commissioner may direct the insurer to collect additional premiums to ensure that the rate is adequate or to require a refund of any sums deemed to be **excessive or** discriminatory.

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Section 2. R.S. 22:1451(D), 1452(C)(4) and (15), and 1455 are hereby repealed in their entirety.

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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)]

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DIGEST  
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Present law requires the commissioner of insurance to determine if the market for each line of insurance is competitive or noncompetitive. Present law presumes that a competitive market for a line of insurance exists. Present law further requires the commissioner to take actions to return the market to competitive status if he determines the market to be noncompetitive.

Proposed law removes the distinction between competitive and noncompetitive markets.

Present law provides that no insurance rate in a competitive market shall be considered excessive. Proposed law repeals present law.

Present law requires the commissioner to regularly monitor the degree and existence of competition in the insurance market in Louisiana. Proposed law requires the commissioner to continuously monitor the degree and existence of competition.

Present law allows the commissioner to disapprove a rate in a competitive market only if the rate is determined to be inadequate or unfairly discriminatory. Present law further allows the commissioner to disapprove a rate in a noncompetitive market if the rate is excessive, inadequate, or unfairly discriminatory.

Proposed law allows the commissioner to disapprove any rate, regardless of whether the market is competitive or noncompetitive, if the rate is determined by the commissioner to be excessive, inadequate, or unfairly discriminatory.

Present law provides an appeal process for a party aggrieved by the commissioner's decision, act, or order regarding rates. Proposed law does not change the appeal process.

Proposed law makes technical changes to conform to proposed law

(Amends R.S. 22:1354(1), 1452(C)(6), 1453, 1454(A), and 1465(A)(1) and (4); enacts R.S. 22:1452(C)(26); repeals R.S. 22:1451(D), 1452(C)(4) and (15), and 1455)