

2017 Regular Session

HOUSE BILL NO. 550

BY REPRESENTATIVE HUVAL

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

INSURANCE: Provides for an expedited rate implementation for certain lines

1 AN ACT

2 To enact R.S. 22:1465.1, relative to property and casualty insurance; to provide with respect
3 to rate making procedures and organizations; to provide for an expedited rate
4 implementation for certain lines; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 22:1465.1 is hereby enacted to read as follows:

7 §1465.1. Property and casualty flex-rating

8 A. This Section applies to personal lines insurance written on risks in this
9 state by any insurer authorized to do business in this state.

10 B.(1) Notwithstanding the requirements of R.S. 22:1464 and 1465, a filing
11 made by an insurer pursuant to this Section that provides for an overall statewide rate
12 increase or decrease of no more than twelve percent in the aggregate for all
13 coverages that are subject to the filing may take effect the date it is filed. The twelve
14 percent limitation shall not apply on an individual insured basis.

15 (2) No more than one rate filing may be made by an insurer pursuant to the
16 expedited process provided in this Subsection during any twelve-month period unless
17 a rate filing, when combined with any other rate filing or filings made by an insurer
18 within the preceding twelve months, does not result in an overall statewide increase
19 or decrease of more than twelve percent in the aggregate for all coverages that are
20 subject to the filing.

1 C. Any rate filing falling outside of the limitation provided for in Subsection
2 B of this Section shall be subject to R.S. 22:1464 and 1465 unless the filing is
3 otherwise exempt from those provisions pursuant to another Section of this Title.

4 D.(1) A filing submitted pursuant to Subsection B of this Section is
5 considered to comply with state law. However, if the commissioner of insurance
6 determines that the filing is inadequate or unfairly discriminatory, he shall issue a
7 written order specifying in detail the provisions of this Title the insurer has violated
8 and the reasons the filing is inadequate or unfairly discriminatory and stating a
9 reasonable future date on which the filing is to be considered no longer effective.

10 (2) An order by the commissioner pursuant to this Subsection that is issued
11 more than thirty days from the date on which the commissioner received the rate
12 filing is prospective only and shall not affect any contract issued or made before the
13 effective date of the order. For purposes of this Section, "unfairly discriminatory"
14 means a rate for a risk that is classified in whole or in part on the basis of race, color,
15 creed, or national origin.

16 E.(1) No rate increase within the limitation specified in Subsection B of this
17 Section may be implemented with regard to an individual existing policy unless the
18 increase is applied at the time of a renewal or conditional renewal of an existing
19 policy and the insurer, at least thirty days in advance of the end of the insured's
20 policy period, mails or delivers to the named insured, at the address shown in the
21 policy, a written notice that clearly and conspicuously discloses its intention to
22 change the rate.

23 (2) A notice of renewal or conditional renewal that clearly and conspicuously
24 discloses the renewal premium applicable to the policy shall be deemed to be in
25 compliance with this Subsection.

26 Section 2. This Act shall become effective on January 1, 2018.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, 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)]

HB 550 Original

2017 Regular Session

Huval

Abstract: Authorizes rate increases of up to 12% on personal lines insurance to take immediate effect upon filing of the rate with the commissioner.

Present law requires every insurer to file a request for a rate increase with the commissioner of insurance.

Present law provides that each filing is not effective until after a waiting period of 45 days to allow the commissioner to approve or disapprove the rate request.

Proposed law changes present law to allow a rate request increase or decrease of no more than 12% in the aggregate to take effect the date that it is filed with the commissioner for personal lines insurance.

Proposed law gives the commissioner the authority to determine if a filing is inadequate or unfairly discriminatory. If the commissioner makes such a determination, proposed law empowers the commissioner to issue an order providing the date on which the filing is to be considered no longer effective.

Effective Jan. 1, 2018.

(Adds R.S. 22:1465.1)