
DIGEST

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HB 287 Reengrossed

2017 Regular Session

Talbot

Abstract: Requires the return of unearned premium to the mortgagee named on a policy.

Present law requires unearned premium to be returned by the insurer upon cancellation of an insurance policy to the policyholder or a premium finance company who financed the policy.

Proposed law retains present law and additionally requires the insurer to return any unearned premium to a mortgagee who funded the policy with his own funds.

Present law requires an insurer to notify the producer of record of all payments made to the insured for property damage claims.

Proposed law retains present law and additionally requires the insurer to notify a mortgagee named on the policy of payments for property damage claims.

Present law requires payment of any unearned premium to the insured within 30 days of cancellation of the policy by the insured or insurer. Proposed law retains present law and additionally requires notice of the return of unearned premium to the mortgagee.

Present law requires a notice requiring payment of a premium on a policy sent to the insured contain a description of the property being insured. Proposed law retains present law and additionally requires that this notice be sent to the mortgagee.

Present law requires the insurer to send the insured a notice of billing of a premium increase during the term of the policy. Proposed law retains present law and additionally requires this notice be sent to the mortgagee.

(Amends R.S. 22:41(11), 885(B), 887(A)(5) and (D), 1271(A), 1484(A)(1), and 1892(A)(1))

Summary of Amendments Adopted by House

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

1. Clarify that unearned premium will be returned to a mortgagee who funded a policy with the mortgagee's own funds, as well as the policyholder.
2. Require notice of return of unearned premium to the mortgagee as well as the

policyholder upon cancellation of the policy by the insured or the insurer.

3. Require the notice requiring payment of premium on a policy sent to the mortgagee contain a description of the policy.
4. Require the insurer to send the mortgagee a notice of billing of a premium increase during the term of the policy.

The House Floor Amendments to the engrossed bill:

1. Clarify that the mortgagee must provide specific notice to the insurer that the premium is being funded with the mortgagee's own funds for the unearned premium to be returned to both the mortgagee and the policyholder.