

2020 First Extraordinary Session

HOUSE BILL NO. 24

BY REPRESENTATIVE JAMES

INSURANCE COMMISSIONER: Provides relative to legislative authorization for any waiver under the Omnibus Premium Reduction Act of 2020 (Item #40)

1 AN ACT

2 To amend and reenact Section 8 of the Act that originated as Senate Bill No. 418 of the 2020
3 Regular Session of the Legislature of Louisiana, relative to the reduction of
4 automobile insurance rates; to provide for the authority of the commissioner of
5 insurance to relieve an insurer from reducing insurance premium rates; to require
6 legislative approval of any relief from reducing insurance premium rates; and to
7 provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. Section 8 of the Act that originated as Senate Bill No. 418 of the 2020
10 Regular Session of the Legislature of Louisiana is hereby amended and reenacted to read as
11 follows:

12 Section 8.(A) For policies of automobile insurance issued or renewed one
13 year following the effective date of this Act, each insurer shall file with the
14 commissioner of insurance for approval premium rates which actuarially reflect the
15 savings it anticipates as a result of this Act, which is presumed to be ten percent
16 lower for each impacted coverage, when compared to the premium rates in effect for
17 that coverage on the date of enactment. Each such insurer shall have the right to
18 request all or partial relief from the presumed roll-back amount of ten percent on
19 each impacted coverage, if it can demonstrate to the commissioner of insurance that
20 it has not experienced a sufficient reduction in loss costs to actuarially justify the full

1 amount of presumed savings of ten percent. Any filing with premium rates that
 2 provides for the ten percent reduction or more for each impacted coverage shall be
 3 deemed approved, if not disapproved, thirty days after filing. This Section does not
 4 prohibit an increase for any individual insurance policy premium if the increase
 5 results from an increase in the risk of loss.

6 (B) If the commissioner of insurance determines that an insurer is entitled
 7 to full or partial relief from the presumed roll-back amount of ten percent on an
 8 impacted coverage as provided by Paragraph A of this Section, such relief shall be
 9 granted only upon approval by two-thirds of the members of the House Committee
 10 on Insurance, the Senate Committee on Insurance, the House of Representatives, and
 11 the Senate.

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 24 Original

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James

Abstract: Requires that any relief from a premium rate reduction required by the Omnibus Premium Reduction Act of 2020 be submitted for approval by the members of the House Committee on Insurance, the Senate Committee on Insurance, the House of Representatives, and the Senate.

Present law (as provided in the Act that originated as Senate Bill No. 418 of the 2020 Regular Session) provides the following:

- (1) For policies of automobile insurance issued or renewed one year following Jan. 1, 2021, each insurer shall file with the commissioner of insurance for approval of premium rates which actuarially reflect the savings it anticipates as a result of present law, which is presumed to be 10% lower for each impacted coverage, when compared to the premium rates in effect for that coverage on Jan. 1, 2021.
- (2) Each such insurer shall have the right to request all or partial relief from the presumed roll-back amount of 10% on each impacted coverage, if it can demonstrate to the commissioner of insurance that it has not experienced a sufficient reduction in loss costs to actuarially justify the full amount of presumed savings of 10%.

Proposed law provides that if the commissioner of insurance determines that an insurer is entitled to full or partial relief from the presumed roll-back amount of 10% on an impacted coverage as provided by present law (as provided in the Act that originated as Senate Bill No. 418 of the 2020 Regular Session), such relief shall be granted only upon approval by two-thirds of the members of the House Committee on Insurance, the Senate Committee on Insurance, the House of Representatives, and the Senate.

(Amends §8 of the Act that originated as SB No. 418 of the 2020 R.S.)