

2021 Regular Session

HOUSE BILL NO. 467

BY REPRESENTATIVE JORDAN

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

INSURANCE/AUTOMOBILE: Prohibits the use of certain rating factors in automobile insurance underwriting

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AN ACT

To amend and reenact R.S. 22:1454(A) and to repeal Subpart P of Part IV of Chapter 4 of Title 22 of the Louisiana Revised Statutes of 1950, comprised of R.S. 22:1501 through 1514, relative to insurance rating standards and methods; to prohibit rate classification based on an insured's credit information, education level, home ownership, employment, or profession; to remove regulations regarding the use of credit information; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1454(A) is hereby amended and reenacted to read as follows:

§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, education level, employment, trade, business, occupation, profession, home ownership, credit information, or any information derived from an insured's credit report, or national origin. The prohibited factors identified in this Subsection shall not be used in any way in determining policy premiums.

\* \* \*

- 1 Section 2. Subpart P of Part IV of Chapter 4 of Title 22 of the Louisiana Revised  
2 Statutes of 1950, comprised of R.S. 22:1501 through 1514, is hereby repealed in its entirety.
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## 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)]

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HB 467 Engrossed

2021 Regular Session

Jordan

**Abstract:** Prohibits the use of certain rating factors in automobile insurance underwriting.

Present law prohibits inadequate or unfairly discriminatory rates in a competitive market.

Present law prohibits rates from being excessive, inadequate, or unfairly discriminatory in a noncompetitive market.

Present law authorizes risk classification based on any criteria except race, color, creed, or national origin.

Proposed law retains present law and further prohibits risk classification based on a person's credit information, education level, home ownership, employment, trade, business, occupation, or profession.

Present law regulates the use of credit information for personal insurance.

Proposed law repeals present law.

Proposed law provides that the prohibited factors in risk classification shall not be used in determining policy premiums.

(Amends R.S. 22:1454(A); Repeals R.S. 22:1501-1514)

Summary of Amendments Adopted by House

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

1. Make technical changes.
2. Add home ownership and any information derived from an insured's credit report to the list of prohibited factors in risk classification.
3. Provide that the prohibited factors in risk classification shall not be used in determining policy premiums.