

2022 Regular Session

SENATE BILL NO. 105

BY SENATOR FESI

INSURANCE POLICIES. Provides relative to written notice of policy renewal. (1/1/23)

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AN ACT

To enact R.S. 22:1266.1 relative to written notice of policy renewal; to provide for written notice of certain changes; to provide for the timing of notice; to provide for the extension of coverage pending written notice; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1266.1 is hereby enacted to read as follows:

**§1266.1. Property, casualty, and liability insurance policies; written notice of policy changes renewal; mailing or delivery**

**A.(1) An insurer writing property, casualty, and liability policies in this state shall mail or deliver to the named insured at the mailing address shown on the policy written notice of any renewal, rate increase, change in deductible, or reduction in limits or coverage at least thirty days prior to the expiration date of the policy.**

**(2) If the insurer fails to provide the thirty-day notice, the coverage provided to the named insured at the expiring policy's rate, terms, and conditions shall remain in effect until the thirty-day notice is given or until the effective date of replacement coverage obtained by the named insured,**

1           whichever occurs first.

2                   (3) If no premium has been paid on the policy, the insured shall be liable  
3           to pay the insurer premium amount owed for the period during which the  
4           coverage was extended and the policy was in force at the expiring rate on a pro  
5           rata basis.

6                   (4) If the insured accepts the renewal, the premium increase, if any, and  
7           other changes shall be effective the day following the prior policy's expiration  
8           or anniversary date.

9                   B. This Section shall not apply to policies and coverage types in R.S.  
10           22:1267.

11                   C.(1) Proof of the mailing of a notice of renewal, or of a premium change,  
12           or of a coverage change to the named insured at the address shown in the policy  
13           shall be sufficient proof of notice.

14                   (2) For the purposes of this Section, notice is considered given thirty days  
15           following date of mailing or delivery of the notice.

16           Section 2. This Act shall become effective on January 1, 2023.

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Beth O'Quin.

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DIGEST

SB 105 Original

2022 Regular Session

Fesi

Present law provides an insurer can renew an insurance policy that by its policy's terms is not renewable.

Proposed law requires an insurer writing property, casualty, and liability policies mail or deliver the insured at his mailing address shown on the policy, a notice of renewal, rate increase, change in deductibles, reduction in limits, or coverages at least 30 days prior to the policy's expiration date.

Proposed law provides that if an insurer fails to provide a 30-day notice, the insured has coverage at the expiring policy's rates, terms, and conditions, and the policy remains in effect until the insurer gives notice or until the insured obtains replacement coverage, whichever occurs first.

Proposed law provides that if an insured has not paid premiums on his policy, the insured is liable to pay the insurer premium amounts owed when coverage was extended and the policy was in force at the expiring rate on a pro rata basis.

Proposed law provides that if an insured accepts a renewal, premium increase, if any, or other changes are effective the day after the prior policy's expiration or anniversary date.

Proposed law does not apply to commercial insurance policies.

Proposed law provides proof of mailing a cancellation, nonrenewal, premium increase, or coverage notice to the insured at his address shown in the policy is sufficient proof of notice.

Proposed law provides notice is given 30 days following the date the notice was mailed or delivered.

Effective January 1, 2023.

(Adds R.S. 22:1266.1)