

2024 Regular Session

HOUSE BILL NO. 513

BY REPRESENTATIVE STAGNI

INSURANCE: Provides with respect to insurance rates

1 AN ACT

2 To enact R.S. 22:1464.1, relative to insurance rates; to provide an approval process for rate
3 submissions with a greater than ten percent target rate; to provide for public
4 hearings; to require explanations of approved rates; to provide for enforcement; and
5 to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:1464.1 is hereby enacted to read as follows:

8 §1464.1. Approval process for submitted insurance rates with a greater than ten
9 percent target rate of return or expected profit

10 A. The commissioner or his designee shall not approve any insurance rate
11 filing with a target rate of return or expected profit that exceeds ten percent without
12 conducting a state actuarial analysis.

13 B.(1) Prior to approving any insurance rate filing described in Subsection A
14 of this Section, the department shall hold a public meeting as an opportunity for
15 public comment and include a presentation of the state actuarial analysis. The
16 department shall post notice of the meeting on its website at least thirty days in
17 advance of the scheduled meeting date to inform the public and justify the rate.

18 (2) The commissioner shall consider the findings of the state actuarial
19 analysis and the public comments in making a determination on the rate filing.

- 1 C. For any insurance rate filing that is approved by the commissioner with
- 2 a target rate of return or expected profit exceeding ten percent, the insurer shall
- 3 provide with the rate filing a written explanation justifying the rate, which the
- 4 commissioner shall make available to the public.
- 5 D. The department shall enforce the provisions of this Section.

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 513 Original

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Abstract: Provides an approval process for submitted insurance rates with a greater than 10% target rate of return or expected profit.

Proposed law prohibits the commissioner of insurance (commissioner) or his designee from approving any insurance rate filing with a target rate of return or expected profit that exceeds 10% without conducting a state actuarial analysis.

Proposed law requires the Dept. of Insurance (DOI) to hold a public meeting for public comment before approving any insurance rate filing described in proposed law. Requires the DOI to post notice of the meeting on its website at least 30 days prior to the scheduled meeting date to inform the public and justify the rate. Further requires the DOI to include a presentation of the state actuarial analysis.

Proposed law requires the commissioner to consider the findings of the state actuarial analysis and public comments in making a determination on the rate filing.

Proposed law provides that if a rate filing with a target rate of return or expected profit exceeding 10% is approved by the commissioner, the insurer filing the rate is required to provide a written explanation justifying the rate. Further requires the commissioner to make the written statement available to the public.

Proposed law requires the DOI to enforce the provisions of proposed law.

(Adds R.S. 22:1464.1)