

2024 Regular Session

SENATE BILL NO. 295

BY SENATOR CLOUD

INSURANCE RATES. Provides for rate filing procedures and requirements for rate making.
(gov sig)

1 AN ACT

2 To amend and reenact R.S. 22:1451, 1464(A)(2) and (D), and 1465(A)(2) and (B)(1) and to

3 enact R.S. 22:1465(A)(4) and (D), relative to rate making; to provide for the process

4 whereby the commissioner reviews rate filings; to provide for the approval of rate

5 filings; to provide for certain rate filings to be deemed approved; to provide for

6 incomplete or disapproved rate filings; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:1451, 1464(A)(2) and (D), and 1465(A)(2) and (B)(1) are hereby

9 amended and reenacted and R.S. 22:1465(A)(4) and (D) are hereby enacted to read as

10 follows:

11 §1451. Systems for ratemaking

12 A. ~~As used in this Subpart, the term "commissioner" shall mean the~~

13 ~~commissioner of insurance.~~ **The provisions of this Subpart apply to all lines of**

14 **property and casualty insurance.**

15 B. ~~The commissioner shall have the exclusive authority to accept, review, and~~

16 ~~approve any application for insurance rates or rate changes for all lines of property~~

17 ~~and casualty insurance. The commissioner shall exercise his authority in accordance~~

1 with the provisions of this Section.

2 C.(1) Subject to the exception specified in Subsection D of this Section, each
3 filing submitted to the commissioner shall be on file for a waiting period of forty-
4 five days before it becomes effective. Upon written application by the insurer or
5 rating organization, the commissioner may authorize a filing which the
6 commissioner has reviewed to become effective before the expiration of the waiting
7 period. At the expiration of the forty-five day waiting period, the filing shall be
8 deemed approved unless prior to day forty-five the filing has been affirmatively
9 approved or disapproved by order of the commissioner. Approval of any such filing
10 by the commissioner shall constitute a waiver of any unexpired portion of this
11 waiting period. The commissioner may by rule, regulation, or order reduce or
12 eliminate the waiting period specified in this Subsection. For any filing that is
13 disapproved, the insurer may appeal the disapproval to the Nineteenth Judicial
14 District Court within fifteen days from the receipt of written notice of disapproval.

15 (2) Unless notified by the commissioner that a filing is disapproved pursuant
16 to this Subpart, the insurer or rating organization may commence use of the filed
17 rates upon expiration of forty-five days from the date of receipt by the commissioner.

18 **Except as provided for in Subsection B of this Section, every authorized insurer**
19 **shall file with the commissioner all rates, supplementary rate information, and**
20 **all supporting information for risks to be written by the insurer in this state.**
21 **The rates and information submitted pursuant to this Subpart shall be deemed**
22 **approved unless the insurer is notified otherwise by the commissioner within**
23 **thirty days of the rate filing.**

24 D.C. Insurers negotiating with and insuring commercial entities, except with
25 regard to workers' compensation and medical malpractice insurance, with at least ten
26 thousand dollars in annual insurance premiums, shall be required to file insurance
27 rates or rate changes for such entities with the commissioner for informational
28 purposes only. The commissioner may by rule, regulation, or order reduce or
29 eliminate the annual premium threshold for those entities that enables rate filings to

1 be made under this Subsection.

2 ~~E.D.~~ All provisions of this This Section shall be applicable when a
3 competitive market in property and casualty lines insurance exists. The
4 commissioner may determine if there exists a competitive or noncompetitive market
5 pursuant to the provisions of R.S. 22:1453, including requiring reasonable notice and
6 a public hearing prior to determining a market to be noncompetitive. If, after a public
7 hearing, the commissioner determines the market to be noncompetitive, all rate
8 filings shall follow the provisions of Subsection C of this Section without regard to
9 the exception specified in Subsection D of this Section. An aggrieved party affected
10 by the commissioner's decision, act, or order may demand a hearing in accordance
11 with Chapter 12 of this Title, R.S. 22:2191 et seq. **be deemed approved unless the**
12 **insurer is notified otherwise by the commissioner within sixty days of the rate**
13 **filing.**

14 **E. Nothing in this Section shall be construed to prohibit the**
15 **commissioner from approving a rate filing prior to the expiration of the**
16 **notification periods provided for in this Section.**

17 F. No provision of Nothing in this Section shall **be construed to** prohibit the
18 commissioner from conducting market conduct exams to ensure the rates being
19 charged by insurers are not inadequate, excessive, or unfairly discriminatory.

20 G. The commissioner shall not disapprove a rate filing that is in compliance
21 with Subsection C **the provisions** of this Section **Subpart** on the basis of time that
22 has elapsed since the most recent ~~rate approval by the commissioner~~ **rate filing by**
23 **the insurer.**

24 * * *

25 §1464. Rate filing

26 A.(1) * * *

27 (2) ~~When~~ **If** a filing made pursuant to this Subsection is not accompanied by
28 the information upon which the insurer or rating organization supports the rate filing,
29 and the commissioner does not have sufficient information to determine whether the

1 rate filing meets the requirements of this Subpart, ~~it~~ **he** shall require ~~such~~ **the** insurer
 2 or rating organization to ~~furnish~~ **provide** the information upon which it supports its
 3 filing, and the ~~waiting~~ periods provided in R.S. 22:1451(~~C~~)(**T**) shall commence as of
 4 the date the information is furnished to complete the filing.

5 * * *

6 D. All rates, supplementary rate information, and any supporting information
 7 filed under this Subpart shall be open to public inspection upon expiration of the
 8 ~~forty-five-day~~ **notification** period as ~~set forth in~~ **applicable pursuant to** R.S.
 9 22:1451(~~C~~)(**T**), or upon disapproval, except for information which is deemed
 10 confidential, trade secret, or proprietary by the insurer or filer.

11 * * *

12 §1465. Disapproval of filings; rates; procedures

13 A.(1)

* * *

14 (2) If within the ~~forty-five-day waiting period or any extension of this~~
 15 **notification** period as provided in R.S. 22:1451, the commissioner finds that a **rate**
 16 filing does not meet the requirements of this Subpart, he shall send to the insurer or
 17 rating organization which made such filings written notice of disapproval of ~~such~~ **the**
 18 **rate** filing specifying wherein he finds ~~such~~ **the rate** filing ~~fails to meet~~ **is not in**
 19 **compliance with** the requirements of this Subpart, and **the commissioner** ~~stating~~
 20 **states** that ~~such~~ **the rate** filing shall ~~not become effective.~~ **become ineffective as of**
 21 **the date the written notice is sent, at which time the insurer's or rating**
 22 **organization's most recently approved rate filing shall resume effectiveness.**

23 * * *

24 **(4) If a rate filing is determined to be inadequate or unfairly**
 25 **discriminatory pursuant to the provisions of this Subpart, the commissioner**
 26 **may direct the insurer to collect additional premium to ensure that the rate is**
 27 **adequate or to require a refund of any sums deemed to be discriminatory.**

28 B.(1) Any insurer whose rate filing is returned as incomplete more than once
 29 or disapproved ~~or not acted upon within forty-five days from the date of receipt by~~

1 ~~the commissioner under this Subsection~~ shall be ~~given~~ **provided** a public hearing
2 upon written request made within thirty days of the return of the rate filing,
3 disapproval of the rate filing, or inaction of the commissioner.

4 * * *

5 **D. Nothing in this Section shall be interpreted to create a private cause**
6 **of action.**

7 Section 2. This Act shall become effective upon signature by the governor or, if not
8 signed by the governor, upon expiration of the time for bills to become law without signature
9 of the governor as provided by Article III, Section 18 of the Constitution of Louisiana. If
10 vetoed by the governor and subsequently approved by the legislature, this Act shall become
11 effective on the day following such approval.

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

DIGEST

SB 295 Engrossed 2024 Regular Session Cloud

Present law provides rate filing requirements for all lines of property and casualty policies.

Proposed law changes the rate filing requirement for certain property, casualty, and liability policies by requiring every insurer writing certain property, casualty, and liability policies to file with the commissioner of insurance all rates, supplementary rate information, and all supporting information for risks to be written by the insurer in this state. The rates and information submitted is deemed approved unless the commissioner notifies the insurer within 30 days from the Dept. of Insurance receiving the rate filing.

Present law provides the Dept. of Insurance may determine whether the information provided in the rate filing is insufficient to determine if the rate filing meets the requirements provided by present law. Present law provides that waiting periods commence from the date the insurer or rating organization provides the department sufficient information for determining whether the rate filing is compliant with present law.

Proposed law retains present law but removes the term "waiting" from present law. Proposed law provides rates are ineffective upon written notification from the commissioner. Proposed law provides when rates are ineffective, the previous rate applies.

Proposed law provides if a rate filing is determined to be inadequate or unfairly discriminatory, the commissioner may direct the insurer to collect additional premium to ensure that the rate is adequate or require the insurer to provide the insured a refund of any sums deemed to be discriminatory.

Proposed law provides proposed law is not to be interpreted as to create a private cause of action.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 22:1451, 1464(A)(2) and (D), and 1465(A)(2) and (B)(1); adds R.S. 22:1465(A)(4) and (D))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original bill

1. Makes technical changes.
2. Provides proposed law applies to all lines of property and casualty insurance.
3. Clarifies when rates are ineffective.
4. Changes the effective date.