

First Extraordinary Session, 2005

HOUSE BILL NO. 111

BY REPRESENTATIVE K. CARTER

CONSUMERS/PROTECTION: Creates a consumer protection insurance bill of rights for policyholders within the Louisiana Unfair Trade Practices and Consumer Protection Law

1 AN ACT

2 To enact R.S. 51:1422, relative to consumer protection; to provide for insurance; to provide
3 for principles; to provide for a bill of rights; and to provide for related matters.

4 Be it enacted by the Legislature of Louisiana:

5 Section 1. R.S. 51:1422 is hereby enacted to read as follows:

6 §1422. Insurance policyholder bill of rights

7 The principles expressed in the following statements shall serve as standards
8 to be followed by the Department of Insurance, the commissioner of insurance, and
9 the Insurance Rating Commission in exercising their powers and duties, in exercising
10 administrative discretion, in dispensing administrative interpretations of the law, and
11 in adopting rules:

12 (1) Policyholders shall have the right to competitive pricing practices and
13 marketing methods that enable them to determine the best value among comparable
14 policies.

15 (2) Policyholders shall have the right to obtain comprehensive coverage.

16 (3) Policyholders shall have the right to insurance advertising and other
17 selling approaches that provide accurate and balanced information on the benefits
18 and limitations of a policy.

1 (4) Policyholders shall have a right to an insurance company that is
2 financially stable.

3 (5) Policyholders shall have the right to be serviced by a competent, honest
4 insurance producer who discloses risks.

5 (6) Policyholders shall the right to a readable policy.

6 (7) Policyholders shall have the right to an insurance company that provides
7 an economic delivery of coverage and that tries to prevent losses.

8 (8) Policyholders shall have the right to a balanced and positive regulation
9 by the department, commissioner, and commission.

10 (9) Policyholders shall have the right to a copy of their insurance policy
11 within thirty days of a declared emergency for a natural disaster causing destruction.

12 (10) Policyholders shall have the right to be notified of their coverage as
13 compared to their exposure and the opportunity to increase the coverage even if the
14 coverage is not offered by their insurer.

15 (11) Policyholders shall have the right to appeal the decisions of the
16 Department of Insurance, the commissioner of insurance, and the Insurance Rating
17 Commission.

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

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

K. Carter

HB No. 111

Abstract: Creates a bill of rights for insurance policyholders.

Proposed law provides for principles to serve as standards for the Department of Insurance, the commissioner of insurance, and the Insurance Rating Commission in exercising their powers and duties, in exercising administrative discretion, in dispensing administrative interpretations of the law, and in adopting rules.

Proposed law provides that insurance policyholders have the right to:

- (1) Competitive pricing and marketing practices.
- (2) Obtain comprehensive coverage.
- (3) Accurate and balanced information in insurance advertising.
- (4) Financially stable insurance companies.
- (5) Competent and honest insurance producers.
- (6) A readable policy.
- (7) Efficient insurance companies that try to prevent losses.
- (8) Balanced and positive state regulation.
- (9) A copy of their policy within 30 days of an emergency.
- (10) To be notified of their coverage and exposure.
- (11) Right to appeal decisions.

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

(Adds R.S. 51:1422)