

ACT No. 47

Regular Session, 2014

HOUSE BILL NO. 286

BY REPRESENTATIVE THIBAUT

1 AN ACT

2 To amend and reenact R.S. 22:942(introductory paragraph) and (10)(a) and to enact R.S.
3 22:931(A)(12), relative to individual life insurance policies; to require insurers to
4 notify insureds of when their conversion option will expire; to allow for conversion
5 from a group policy to an individual term life insurance policy; to provide for proof
6 of notice to policyholders; to provide an exception for a child term rider; and to
7 provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 22:942(introductory paragraph) and (10)(a) is hereby amended and
10 reenacted and R.S. 22:931(A)(12) is hereby enacted to read as follows:

11 §931. Life insurance policies; standard provisions

12 A. No policy of life insurance, except as stated in Subsection C of this
13 Section, shall be delivered or issued for delivery in this state unless it contains in
14 substance the following provision or provisions which, in the opinion of the
15 commissioner of insurance, are more favorable to the policyholder:

16 * * *

17 (12) Conversion notice. (a) A provision requiring that the insurer notify the
18 policyholder of his option to convert his policy from term life insurance to
19 permanent life insurance at least thirty-one days prior to the expiration of the
20 conversion option, if such an option is applicable. Such notice shall be a separate
21 notice or contained in either a premium notice or an annual premium summary.

1 (b) Evidence of a business procedure or practice to provide the required
2 notice by mailing the notice to the policyholder at the address shown in the policy
3 shall be sufficient to prove that the required notice was provided.

4 (c) This Paragraph shall not apply to a policyholder who is covered under a
5 child term rider.

6 * * *

7 §942. Standard provisions for group life policies

8 Each policy of group life insurance as defined in R.S. 22:941 shall contain
9 in substance the following provisions or, at the option of the insurer, provisions
10 which in the opinion of the commissioner of insurance are not less favorable to the
11 policyholder; ~~However~~ however, Paragraphs (6) through (12) of this Section shall
12 not apply to policies described in R.S. 22:941(A)(3), except that, where policies are
13 issued pursuant to that Paragraph, the insurer shall issue to the policyholder for
14 delivery to the person whose life is insured an individual certificate setting forth the
15 insurance protection afforded, to whom it is payable, information relating to notice
16 and proof of loss, and that the standard provisions required for individual life
17 insurance policies shall not apply to group life insurance policies:

18 * * *

19 (10) Conversion on termination of eligibility: A provision that if the
20 insurance, or any portion of it, on an individual covered under the policy ceases
21 because of termination of employment or of membership in the class or classes
22 eligible for coverage under the policy, such individual shall be entitled to have issued
23 to him by the insurer, without evidence of insurability, an individual policy of life
24 insurance without disability or other supplementary benefits, provided application
25 for the individual policy shall be made and the first premium paid to the insurer
26 within thirty-one days after such termination. It is further provided that:

1 (a) The individual policy shall, at the option of such individual, be on any
2 one of the forms, ~~except term insurance~~, then customarily issued by the insurer at the
3 age and for the amount applied for.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____