

Existing law defines an "insurance premium finance company" as a person engaged in the business of entering into premium finance agreements.

Exiting law provides that any person, whether in or out of the state of La., is prohibited from engaging in the business of financing insurance premiums, entering into premium finance agreements, or acquiring premium finance agreements with La. consumers, unless the person first obtains a license as an insurance premium finance company from the commissioner or the person is otherwise exempt from the licensing requirement of existing law.

Prior law provides that if the default of an insured, pursuant to the premium finance agreement, has not been cured within 10 days after notice of cancellation has been mailed to the insured from an insurance premium finance company, or within 14 days when the notice is sent from an insurance premium finance company outside of the state of La., the insurance premium finance company retains certain rights to cancel the insurance contracts or endorsements of the insured, provided that certain mailing and notification requirements are met.

New law repeals the 14-day delay applicable to out-of-state insurance premium finance companies.

Effective Aug. 1, 2014.

(Amends R.S. 9:3550(C)(1) and (G)(3)(a)(intro. para.))