

GREEN SHEET REDIGEST

HB 287

2017 Regular Session

Talbot

(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)

**INSURANCE: Provides for the return of unearned premium and notice of claim payments to the mortgagee**

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DIGEST

Present law requires unearned premium to be returned by the insurer upon cancellation of an insurance policy to the policyholder or a premium finance company who financed the policy.

Proposed law retains present law and additionally requires the insurer to return the percentage of unearned premium attributable to a mortgagee who funded the policy with his own funds if the mortgagee provided written notice to the insurer of the percentage of the premium being funded with the mortgagee's own funds. Further requires any percentage of the unearned premium attributable to the insured to be returned to the insured.

(Amends R.S. 22:885(B))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Clarify that unearned premium will be returned to a mortgagee who funded a policy with the mortgagee's own funds, as well as the policyholder.
2. Require notice of return of unearned premium to the mortgagee as well as the policyholder upon cancellation of the policy by the insured or the insurer.
3. Require the notice requiring payment of premium on a policy sent to the mortgagee contain a description of the policy.
4. Require the insurer to send the mortgagee a notice of billing of a premium increase during the term of the policy.

The House Floor Amendments to the engrossed bill:

1. Clarify that the mortgagee must provide specific notice to the insurer that the premium is being funded with the mortgagee's own funds for the unearned premium to be returned to both the mortgagee and the policyholder.

Summary of Amendments Adopted by Senate

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

1. Deletes provisions requiring notice to a mortgagee.
2. Requires the return of any percentage of unearned premium attributable to a mortgagee to be refunded to the mortgagee if the mortgagee has given the insurer written notice of the percentage of the premium being funded with the mortgagee's own funds.

3. Requires the percentage of unearned premium attributable to the insured to be refunded to the insured.