

2018 Regular Session

HOUSE BILL NO. 169

BY REPRESENTATIVE TALBOT

INSURANCE: Provides for notice of the cancellation of an insurance policy

1 AN ACT

2 To amend and reenact R.S. 22:1266(D)(1) and (3)(b)(ii), relative to the cancellation of an
3 insurance policy; to authorize notice of cancellation to be sent by first class mail
4 using a tracking method; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 22:1266(D)(1) and (3)(b)(ii) are hereby amended and reenacted to
7 read as follows:

8 §1266. Automobile, property, casualty, and liability insurance policies;
9 cancellations

10 * * *

11 D.(1) No notice of cancellation of a policy to which Subsection B or C of
12 this Section applies shall be effective unless mailed by certified mail or first class
13 mail using an Intelligent Mail barcode or other similar tracking method used or
14 approved by the United States Postal Service or delivered by the insurer to the named
15 insured at least thirty days prior to the effective date of cancellation; however, when
16 cancellation is for nonpayment of premium at least ten days notice of cancellation
17 accompanied by the reason shall be given. In the event of nonpayment of premiums
18 for a binder, a ten-day notice of cancellation shall be required before the cancellation
19 shall be effective. Notice of cancellation for nonpayment of premiums shall not be
20 required to be sent by certified mail or first class mail using an Intelligent Mail

1 barcode or other similar tracking method used or approved by the United States
2 Postal Service. Unless the reason accompanies the notice of cancellation, the notice
3 of cancellation shall state or be accompanied by a statement that upon written request
4 of the named insured, mailed or delivered to the insurer within six months after the
5 effective date of cancellation, the insurer will specify the reason for such
6 cancellation. This Subsection shall not apply to nonrenewal.

7 * * *

8 (3)

9 * * *

10 (b)

11 * * *

12 (ii) The insurer shall immediately, and in no case later than ten days after the
13 producer or premium finance company has notified the insurer, notify the named
14 insured, by certified mail or first class mail using an Intelligent Mail barcode or other
15 similar tracking method used or approved by the United States Postal Service or
16 delivering to the named insured a written notice that the policy is canceled from the
17 date the premium payment was due. The insurer shall advise the named insured that
18 the policy shall be reinstated effective from the date the premium payment was due
19 for the term of the policy only if the named insured or his legal representative
20 presents to the insurer a cashier's check or money order for the full amount of the
21 returned check or other negotiable instrument within ten days of the date that the
22 notice of cancellation was mailed.

23 * * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Abstract: Authorizes the notice of cancellation of an insurance policy to be sent by first class mail using a U.S. Postal Service approved tracking method.

Present law prohibits a notice of cancellation, based upon any reason other than for nonpayment of premium, of an automobile liability, physical damage, or collision policy from taking effect unless mailed by certified mail or delivered by the insurer to the named insured at least 30 days prior to the effective date of cancellation.

Proposed law retains present law and further authorizes the notice of cancellation to be sent by first class mail using an Intelligent Mail barcode or other similar tracking method used or approved by the U. S. Postal Service.

Present law requires an insurer, who receives notice that the payment for the premium of an automobile, property, casualty, or liability policy was denied by the financial institution upon which it was drawn, to immediately, and in no case later than 10 days after the producer or premium finance company has notified the insurer of the failed payment, notify the named insured that the policy is canceled from the date the premium payment was due by certified mail or delivering to the named insured a written notice.

Proposed law retains present law and further authorizes the notice of cancellation to be sent by first class mail using an Intelligent Mail barcode or other similar tracking method used or approved by the U. S. Postal Service.

(Amends R.S. 22:1266(D)(1) and (3)(b)(ii))