INSURANCE RATES. Prohibits insurance rate determinations based on risks classified by the insured's credit score/rating. (8/1/20)

AN ACT
To amend and reenact R.S. 22:1454(A), relative to rating standards and methods; to prohibit rate classifications based upon the insured's credit score/rating; and to provide for related matters.

Be it enacted by the Legislature of Louisiana: Section 1. R.S. 22:1454(A) is hereby amended and reenacted to read as follows: §1454. Rating standards and methods
A. Rates shall not be inadequate or unfairly discriminatory in a competitive market. Rates shall not be excessive, inadequate, or unfairly discriminatory in a noncompetitive market. Risks may be classified using any criteria except that no risk shall be classified on the basis of race, the insured's credit score/rating, color, creed, or national origin.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Thomas L. Tyler.

|  | DIGEST |  |
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| SB 14 Original | 2020 Regular Session | Luneau |

Present law requires that insurance rates not be inadequate or unfairly discriminatory in a competitive market and that rates not be excessive, inadequate, or unfairly discriminatory in a noncompetitive market. Authorizes classification of risks using any criteria but prohibits risk classifications on the basis of race, color, creed, or national origin.

Proposed law retains these provisions but further prohibits risk classifications made on the basis of a person's credit score/rating.

Effective August 1, 2020.
(Amends R.S. 22:1454(A))

