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 DIGEST

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SB 373 Engrossed

2020 Regular Session

Cloud

Present law provides for methods, acts, and practices which are defined as unfair or deceptive, including failure to provide claims history within 30 days of receipt of the first named insured's written request and within 20 days of receipt of the first named insured's request for certain additional information.

Proposed law retains present law and provides that the provisions of present law apply exclusively to personal lines insurance.

Proposed law provides, relative to commercial lines insurance, that it shall be an unfair or deceptive act or practice if a company that issues property and casualty insurance fails to provide loss information, by mail, or by the same means the request for the information was submitted for the 5 previous policy years to the first named insured within 10 business days of receipt of the first named insured's written request submitted by mail, fax, or email.

Proposed law provides that if the prospective insurer requests the first named insured to provide detailed loss information in addition to proposed law requirements, the first named insured may mail, fax, email, or deliver a written request to the insurer for additional information.

Proposed law prohibits a prospective insurer from requesting more detailed loss information than reasonably required to underwrite the same line or class of insurance.

Proposed law requires the insurer to provide information pursuant to proposed law by mail and if the request was not submitted by mail, then by the same means the request was submitted to the first named insured as soon as possible but in no event later than 10 business days of receipt of the written request.

Proposed law provides that no insurer shall be required to provide loss reserve information and no prospective insurer may refuse to insure an applicant solely because the prospective insurer is unable to obtain loss reserve information.

Proposed law authorizes the commissioner of insurance to promulgate regulations to exclude the providing of loss information for any line or class of insurance where it can be shown that the information not needed for that line or class of insurance or where the provision of loss information is otherwise required by law.

Proposed law provides that information provided pursuant to proposed law is not subject to discovery by any party other than the insured, the insurer, and the prospective insurer.

Effective August 1, 2020.

(Amends R.S. 22:1964(20)-(28); Adds R.S. 22:1964(29))

Summary of Amendments Adopted by Senate

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

1. Specify that the time period for providing the claims history is ten business days.

Summary of Amendments Adopted by House

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

1. Delete present law and proposed law provisions relative to unfair or deceptive acts or practices for the failure to provide claims history.
2. Add provisions relative to unfair or deceptive acts or practices for the failure to provide claims history for both personal lines insurance and commercial lines insurance.
3. Make technical changes.