

GREEN SHEET REDIGEST

HB 296

2020 Regular Session

Illg

INSURANCE/POLICIES: Provides for cancellation of a policy by the insured party

DIGEST

Present law allows the cancellation by the insured of any policy which may be cancelled at the insured's option, or of any binder based on the policy, to be effected if both of the following are done prior to or on the effective date of the cancellation:

- (1) Written notice given to the insurer.
- (2) Surrender of the policy or binder for cancellation.

Proposed law requires the cancellation by the insured to only be effected by written notice and removes the deadline for providing the notice and the requirement to surrender the policy or binder.

Present law authorizes the insurer, in the event the policy or binder has been lost or destroyed and cannot be surrendered, to accept and in good faith rely upon the insured's written statement setting forth the fact of the loss or destruction.

Proposed law repeals present law.

Present law provides that the surrender of a policy to the insurer for any cause by any person named in the policy as having an interest insured under the policy creates a presumption that the surrender is agreed to by all persons covered by the policy.

Proposed law provides that the written notice of cancellation of a policy to the insurer for any cause by any person named in the policy as having an interest insured under the policy creates a presumption that the cancellation is agreed to by all persons covered by the policy.

Proposed law defines "written" as the insured's intentional recording of words in a visual form, whether in the form of handwriting, printing, typewriting, electronic communication, or any other tangible form.

Effective Jan. 1, 2021.

(Amends R.S. 22:885(A) and (C); Adds R.S. 22:885(F))

Summary of Amendments Adopted by House

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

1. Change provisions of proposed law from requiring the cancellation by the insured to be effected by written notice to requiring the cancellation by the insured to be effected only by written notice.
2. Restore provisions of present law that require surrender of the binder to effectuate cancellation.

Summary of Amendments Adopted by Senate

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

1. Repeals the requirement to surrender the policy or binder based upon the policy to be cancelled.

2. Prohibits proposed law from being construed to require an insurer to cancel any policy or any binder based on the policy prior to the date of receipt by the insurer of the written notice of cancellation.
3. Provides that the written notice of cancellation of a policy to an insurer for any cause by any named insured on that policy creates a presumption that the cancellation is agreed to by all named insureds on that policy.
4. Makes technical changes.