

2025 Regular Session

HOUSE BILL NO. 576

BY REPRESENTATIVES ROBBY CARTER AND BROWN

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

INSURANCE/RATES: Provides relative to rates in competitive and noncompetitive markets

1 AN ACT

2 To amend and reenact R.S. 22:1452(C)(introductory paragraph) and (6), 1454(A), and  
3 1465(A)(1) and to repeal R.S. 22:1451(D), 1452(C)(4) and (15), 1453, and 1455,  
4 relative to the powers and duties of the commissioner of insurance; to provide for  
5 rating standards and methods; to modify relative to excessive rates; to provide with  
6 respect to disapproval of rates by the commissioner of insurance; to repeal relative  
7 to competitive and noncompetitive markets; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 22:1452(C)(introductory paragraph) and (6), 1454(A), and  
10 1465(A)(1) are hereby amended and reenacted to read as follows:

11 §1452. Purpose of rate regulation; construction; definitions

12 \* \* \*

13 C. As used in this Subpart, the following definitions ~~shall be applicable~~  
14 apply:

15 \* \* \*

16 (6) "Excessive" means a rate that is likely to produce a ~~long-term profit that~~  
17 ~~is unreasonably high for the insurance provided. No rate in a competitive market~~  
18 ~~shall be considered excessive.~~ a profit that is unreasonably high for the insurance

1 provided or the expense provision included therein is unreasonably high in relation  
2 to the services rendered.

3 \* \* \*

4 §1454. Rating standards and methods

5 A. ~~Rates shall not be inadequate or unfairly discriminatory in a competitive~~  
6 ~~market.~~ Rates shall not be excessive, inadequate, or unfairly discriminatory, in a  
7 ~~noncompetitive market.~~ Risks may be classified using any criteria except that no  
8 risk shall be classified on the basis of race, color, creed, or national origin.

9 \* \* \*

10 §1465. Disapproval of filings; rates; procedures

11 A.(1)(a) ~~The commissioner shall disapprove a rate in a competitive market~~  
12 ~~only if he determines that the rate is inadequate or unfairly discriminatory.~~ The  
13 commissioner shall disapprove a rate for use in a ~~noncompetitive market only~~ if he  
14 determines that the rate is excessive, inadequate, or unfairly discriminatory.

15 (b) As a result of the commissioner's disapproval of rates or other act, the  
16 commissioner, on request of the insurer, shall specify interim rates for the insurer  
17 that are sufficient to protect the interests of all parties. The commissioner may order  
18 that a specified portion of the premiums be placed in an escrow account approved by  
19 the commissioner. If new rates become legally effective, the commissioner shall  
20 order the escrowed funds or any overcharge in the interim rates to be distributed  
21 appropriately, except that refunds to policyholders that are de minimis shall not be  
22 required.

23 \* \* \*

24 Section 2. R.S. 22:1451(D), 1452(C)(4) and (15), 1453, and 1455 are hereby  
25 repealed in their entirety.

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**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)]

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HB 576 Engrossed

2025 Regular Session

Robby Carter

**Abstract:** Repeals relative to competitive and noncompetitive markets to generally prohibit excessive, inadequate, or unfairly discriminatory insurance rates as determined by the commissioner of insurance.

Present and proposed law generally provide regulations for rating standards and methods.

Present law defines "excessive." Provides that "excessive," as the term relates to rates, means a rate that is likely to produce a long-term profit that is unreasonably high for the insurance provided. Present law prohibits rates in competitive markets from being considered excessive.

Proposed law deletes present law and changes the definition of "excessive." Redefines the term as a rate that is likely to produce a profit that is unreasonably high for the insurance provided or the expense provision included with the rate is unreasonably high in relation to the services rendered.

Present law authorizes risk classification based on any criteria except race, color, creed, or national origin. Proposed law retains present law.

Present law prohibits rates that are inadequate or unfairly discriminatory in a competitive market. Prohibits rates that are excessive, inadequate, or unfairly discriminatory in a noncompetitive market.

Proposed law deletes present law to generally prohibit excessive, inadequate, or unfairly discriminatory rates, regardless of the market.

Present law requires the commissioner of insurance (commissioner) to disapprove a rate in a competitive market only if he determines the rate is inadequate or unfairly discriminatory. Proposed law deletes present law.

Present law requires the commissioner to disapprove a rate for use in a noncompetitive market only if he determines the rate is excessive, inadequate, or unfairly discriminatory.

Proposed law deletes present law relative to noncompetitive markets to require the commissioner's disapproval of a rate if he determines the rate is excessive, inadequate, or unfairly discriminatory.

Proposed law requires the commissioner, upon his disapproval of a rate filing or similar action, to specify interim rates upon request of the insurer. Requires interim rates to be sufficient to protect the interests of all parties.

Proposed law authorizes the commissioner to order that a specified portion of premiums collected under interim rates be placed into an escrow account. Further provides that if new rates subsequently become legally effective, the commissioner is required to order the appropriate distribution of escrowed funds or any overcharges in interim rates to policyholders; however, refunds of insignificant amounts are not required for return.

Present law (R.S. 22:1451(D), 1452(C)(4) and (15), 1453, and 1455) provides definitions and regulations for rates in competitive and noncompetitive markets.

Proposed law repeals present law.

(Amends R.S. 22:1452(C)(intro. para.) and (6), 1454(A), and 1465(A)(1); Repeals R.S. 22:1451(D), 1452(C)(4) and (15), 1453, and 1455)

Summary of Amendments Adopted by House

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

1. Change the definition of "excessive" with respect to rates. Redefine the term to mean that the rate is likely to produce a profit that is unreasonably high for the insurance provided or the expense provision included with the rate is unreasonably high in relation to the services rendered.
2. Remove language regarding actuarial justification. Delete the word "only" to require the commissioner's disapproval of a rate that he determines to be excessive, inadequate, or unfairly discriminatory.
3. Require the commissioner, upon his disapproval of a rate filing or similar action, to specify interim rates upon request of the insurer. Require interim rates to be sufficient to protect the interests of all parties.
4. Authorize the commissioner to order that a specified portion of premiums collected under interim rates be placed into an escrow account. Provide that if new rates subsequently become legally effective, the commissioner is required to order the appropriate distribution of escrowed funds or any overcharges in interim rates to policyholders. Further provide that refunds of insignificant amounts are not required for return.