

Regular Session, 2014

HOUSE BILL NO. 502

BY REPRESENTATIVE BURFORD

INSURANCE/AUTOMOBILE: Provides for a twenty percent discount on automobile insurance for retired members of the armed forces.

1 AN ACT

2 To enact R.S. 22:1482.2, relative to automobile liability insurance; to provide for  
3 definitions; to provide for a premium reduction for retired members of the armed  
4 forces; to provide for a premium tax rebate; to provide for rulemaking authority; and  
5 to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:1482.2 is hereby enacted to read as follows:

8 §1482.2. Retired armed forces premium discount; rebate

9 A. Beginning on July 1, 2015, and thereafter, every motor vehicle insurer  
10 authorized to transact business in this state shall provide to a retired member of the  
11 armed forces of the United States, or the surviving spouse if deceased, who is a  
12 resident of Louisiana a reduction of twenty percent of the premium on any  
13 automobile liability insurance policy purchased in this state to cover motor vehicles  
14 owned by the retired member or the surviving spouse.

15 B. For the purposes of this Section, the following definitions shall be  
16 applicable:

17 (1) "Resident of Louisiana" means a person who has been domiciled in  
18 Louisiana for a period of at least twelve months immediately preceding the date of  
19 application for the premium reduction and who has not claimed residence in any  
20 other state for any other purpose.

1           (2) "Retired member of the armed forces of the United States" means a  
2           member or former member of the armed forces who is entitled, under federal or state  
3           law, to retired, retirement, or retainer pay on account of service as a member.

4           C. Insurers providing the premium reduction authorized by this Section shall  
5           be entitled to a rebate. The amount of the rebate shall be equal to the premium  
6           reduction actually provided and shall be payable from the premium taxes imposed  
7           pursuant to R.S. 22:831 and 838. Such insurers shall submit to the commissioner of  
8           insurance the documents, evidence, and proof required, in accordance with the rules  
9           and regulations adopted by the commissioner, to establish the amounts of the  
10          premium reduction actually provided. Upon certification provided by the  
11          commissioner of insurance of the amount of the premium reduction actually  
12          provided, the insurer shall apply to the Department of Revenue for payment of the  
13          rebate.

14          D. The commissioner of insurance shall adopt rules and regulations, in  
15          accordance with the Administrative Procedure Act, to implement the provisions of  
16          this Section. The rules and regulations shall include but not be limited to all of the  
17          following:

18                 (1) Verifying the status of retired members of the armed forces of the United  
19                 States, or their surviving spouse, who may receive the premium reduction.

20                 (2) Recordkeeping requirements for the insurers.

21                 (3) Procedures for submitting claims for rebates.

22                 (4) A listing of the documents, evidence, and proof necessary to establish a  
23                 valid claim.

24                 (5) Time requirements and limitations for the submission of a claim,  
25                 examination of the claim, and a final decision by the commissioner.

26                 (6) Other such provisions necessary for the proper implementation of this  
27                 Section.

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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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Burford

HB No. 502

**Abstract:** Requires insurers to provide a 20% reduction in the automobile liability insurance rates of retired members of the armed forces.

Present law requires an insurer to provide a 25% reduction in automobile liability insurance rates to active military personnel.

Proposed law retains present law and additionally provides retired members of the armed forces of the U.S., as defined by federal or state law, or their surviving spouses, residing in La. a 20% premium reduction in their automobile liability rates.

Present law provides a premium tax credit to insurers equal to the discount actually provided to active military personnel.

Proposed law retains present law and additionally provides a rebate out of premium taxes paid by insurers equal to the amount of the premium reduction actually provided.

(Adds R.S. 22:1482.2)