
DIGEST

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Adams

HB No. 1169

Abstract: Removes the 14-day notice provision applicable to out-of-state insurance premium finance companies.

Present law defines an "insurance premium finance company" as a person engaged in the business of entering into premium finance agreements.

Pursuant to present law, any person, whether in or out of the state of La., is prohibited from engaging in the business of financing insurance premiums, entering into premium finance agreements, or acquiring premium finance agreements with La. consumers, unless the person first obtains a license as an insurance premium finance company from the commissioner or the person is otherwise exempt from the licensing requirement of present law.

Present law provides that if the default of an insured, pursuant to the premium finance agreement, has not been cured within 10 days after notice of cancellation has been mailed to the insured from an insurance premium finance company, or 14 days when the notice is sent from an insurance premium finance company outside of the state of La., the insurance premium finance company may effect cancellation of the insurance contract, or contracts, or endorsements by sending to the insurer, by depositing in the mail or with a private carrier, or via electronic mail, within five business days after the date of cancellation, except when the payment has been returned uncollected, a copy of the notice of cancellation together with other statements of specified certification relative to the effect of cancellation.

Proposed law changes present law by repealing the 14-day delay applicable to out-of-state insurance premium finance companies.

(Amends R.S. 9:3550(C)(1) and (G)(3)(a)(intro. para.))