

Regular Session, 2014

HOUSE BILL NO. 1169

BY REPRESENTATIVE ADAMS

INSURANCE/POLICIES: Provides with respect to insurance premium finance companies

1 AN ACT

2 To amend and reenact R.S. 9:3550(C)(1) and (G)(3)(a)(introductory paragraph), relative to
3 insurance premium finance companies; to remove the fourteen-day notice
4 requirement applicable to out-of-state insurance premium finance companies; and
5 to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 9:3550(C)(1) and (G)(3)(a)(introductory paragraph) are hereby
8 amended and reenacted to read as follows:

9 §3550. Insurance premium finance companies

10 * * *

11 C.(1) No person, unless otherwise exempt from the licensing requirement of
12 this Chapter, shall engage in the business of financing insurance premiums in this
13 state or out of this state with Louisiana consumers, ~~entering~~ enter into premium
14 finance agreements, or otherwise ~~acquiring~~ acquire premium finance agreements
15 subject to the Louisiana Consumer Credit Law, without first having obtained a
16 license as an insurance premium finance company from the commissioner as
17 provided in Subsection A of this Section.

18 * * *

19 G. Insurance contracts may be canceled upon default as follows:

20 * * *

1 (3)(a) Ten days after notice of cancellation has been mailed to the insured,
 2 ~~or fourteen days when notice is sent from outside of this state~~, if the default has not
 3 been cured, the insurance premium finance company may thereafter effect
 4 cancellation of such insurance contract, or contracts, or endorsements by sending to
 5 the insurer, by depositing in the mail or with a private carrier, or via electronic mail,
 6 within five business days after the date of cancellation, except when the payment has
 7 been returned uncollected, a copy of the notice of cancellation together with a
 8 statement certifying that:

9 * * *

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)]

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.))