Regular Session, 2014

HOUSE BILL NO. 286

1

BY REPRESENTATIVE THIBAUT

2	To amend and reenact R.S. 22:942(introductory paragraph) and (10)(a) and to enact R.S.
3	22:931(A)(12), relative to individual life insurance policies; to require insurers to
4	notify insureds of when their conversion option will expire; to allow for conversion
5	from a group policy to an individual term life insurance policy; to provide for proof
6	of notice to policyholders; to provide an exception for a child term rider; and to
7	provide for related matters.
8	Be it enacted by the Legislature of Louisiana:
9	Section 1. R.S. 22:942(introductory paragraph) and (10)(a) is hereby amended and
10	reenacted and R.S. 22:931(A)(12) is hereby enacted to read as follows:
11	§931. Life insurance policies; standard provisions
12	A. No policy of life insurance, except as stated in Subsection C of this
13	Section, shall be delivered or issued for delivery in this state unless it contains in
14	substance the following provision or provisions which, in the opinion of the
15	commissioner of insurance, are more favorable to the policyholder:
16	* * *
17	(12) Conversion notice. (a) A provision requiring that the insurer notify the
18	policyholder of his option to convert his policy from term life insurance to
19	permanent life insurance at least thirty-one days prior to the expiration of the
20	conversion option, if such an option is applicable. Such notice shall be a separate
21	notice or contained in either a premium notice or an annual premium summary.

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(b) Evidence of a business procedure or practice to provide the required
notice by mailing the notice to the policyholder at the address shown in the policy
shall be sufficient to prove that the required notice was provided.
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(c) This Paragraph shall not apply to a policyholder who is covered under a child term rider.

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§942. Standard provisions for group life policies

Each policy of group life insurance as defined in R.S. 22:941 shall contain in substance the following provisions or, at the option of the insurer, provisions which in the opinion of the commissioner of insurance are not less favorable to the policyholder; However however, Paragraphs (6) through (12) of this Section shall not apply to policies described in R.S. 22:941(A)(3), except that, where policies are issued pursuant to that Paragraph, the insurer shall issue to the policyholder for delivery to the person whose life is insured an individual certificate setting forth the insurance protection afforded, to whom it is payable, information relating to notice and proof of loss, and that the standard provisions required for individual life insurance policies shall not apply to group life insurance policies:

* * *

(10) Conversion on termination of eligibility: A provision that if the insurance, or any portion of it, on an individual covered under the policy ceases because of termination of employment or of membership in the class or classes eligible for coverage under the policy, such individual shall be entitled to have issued to him by the insurer, without evidence of insurability, an individual policy of life insurance without disability or other supplementary benefits, provided application for the individual policy shall be made and the first premium paid to the insurer within thirty-one days after such termination. It is further provided that:

1	(a) The individual policy shall, at the option of such individual, be on any
2	one of the forms, except term insurance, then customarily issued by the insurer at the
3	age and for the amount applied for.
4	* * *
	SPEAKER OF THE HOUSE OF REPRESENTATIVES
	PRESIDENT OF THE SENATE
	GOVERNOR OF THE STATE OF LOUISIANA

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APPROVED: _____