

Regular Session, 2010
HOUSE BILL NO. 282

ACT No. 1016

BY REPRESENTATIVE ROY

1 AN ACT

2 To amend and reenact R.S. 9:3550(D)(2) and (G)(2) and R.S. 22:905(2) and to enact R.S.
3 22:887(I), relative to insurance policies and contracts; to provide with respect to
4 written notice required before lapsing life policies; to provide relative to
5 reinstatement of insurance policies and contracts subsequent to cancellation; and to
6 provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 9:3550(D)(2) and (G)(2) are hereby amended and reenacted to read
9 as follows:

10 §3550. Insurance premium finance companies

11 * * *

12 D.

13 * * *

14 (2) Upon accepting, funding, or declining a premium finance agreement of
15 a related insurance contract primarily for personal, family, or household use, when
16 the premiums were paid or were to be paid to the providing insurance agent, the
17 premium finance company shall deliver or mail accountable written or electronic
18 notification within five business days advising the insurer, managing general agent,
19 or general agent of its action to accept, fund, or decline the premium finance
20 agreement. The notification shall state the insured's full name and address, the
21 producing insurance agent's full name and address, the total policy cost, and the
22 premiums that were paid to the producing insurance agent, or that the payment of
23 premium was declined. With respect to commercial policies, the insurer, managing
24 general agent, or general agent receiving notification shall deliver or mail

1 accountable written or electronic notification within ten business days advising the
2 premium finance company that an insurance contract or contracts or endorsements
3 listed in and related to the premium finance agreement was not issued.

4 * * *

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

6 * * *

7 (2) Upon default of the insurance premium finance agreement by the debtor,
8 the premium finance company shall mail or send an electronic notice of cancellation
9 to the insured, at his last known mailing or electronic address as shown on the
10 records of the insurance premium finance company. In the event the default is
11 timely cured, the premium finance company shall, within three business days from
12 the time the default was cured, mail or send electronic notice of rescission of the
13 cancellation notice to the insured, at his last known mailing or electronic address as
14 shown on the records of the premium finance company and to all other parties who
15 had previously been sent notice of cancellation. In the event the default is not timely
16 cured as provided herein and the insurance policy is canceled pursuant to the terms
17 of the insurance premium finance agreement, a copy of the notice of cancellation of
18 the insurance contract shall also be sent to the insurance agent negotiating the related
19 insurance contract whose name and place of business appears on the insurance
20 premium finance agreement. Such notice of cancellation shall also state the name of
21 any governmental agency, holder of a security interest in the insured property, or
22 third party also requiring notice of cancellation as shown on the insurance premium
23 finance agreement.

24 * * *

25 Section 2. R.S. 22:905(2) is hereby amended and reenacted and R.S. 22:887(I) is
26 hereby enacted to read as follows:

27 §887. Cancellation by insurer; changes to homeowner's insurance policies

28 * * *

29 I. Any insurer that issues notice of cancellation of an automobile insurance
30 policy and later continues or reinstates that insurance policy shall issue notice of

1 reinstatement to every policyholder, insurance producer, mortgagee, pledgee, or
2 other known person shown by the policy to have an interest in any loss which may
3 occur thereunder and who received the notice of cancellation.

4 §905. Written notice required before lapsing life policies

5 No life insurer shall within one year after default in payment of any premium,
6 installment, loan or interest, declare forfeited or lapsed any policy issued or renewed,
7 and not issued upon the payment of monthly or weekly premiums or for a term of
8 one year or less, for non-payment when due of any premium, installment, loan or
9 interest, or any portion thereof required by the terms of the policy to be paid, unless
10 a written or printed notice stating:

11 * * *

12 (2) The place where it shall be paid and the person to whom the same is
13 payable, shall have been duly addressed and mailed to the ~~person whose life is~~
14 ~~insured~~ or owner of the policy and the assignee of the policy if notice of the
15 assignment has been given to the insurer, at the last known post office address of
16 such insured or assignee, postage prepaid by the insurer or any person appointed by
17 it to collect such payment, at least fifteen and not more than forty-five days prior to
18 the date when the same is payable.

19 * * *

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.