

# ACT No. 299

2017 Regular Session

HOUSE BILL NO. 287

BY REPRESENTATIVE TALBOT

1 AN ACT

2 To amend and reenact R.S. 22:885(B), relative to the cancellation or surrender of a policy  
3 by the policyholder; to provide for the return of unearned premium to the mortgagee;  
4 and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 22:885(B) is hereby amended and reenacted to read as follows:

7 §885. Cancellation by the insured; surrender

8 \* \* \*

9 B. Within thirty days following such cancellation the insurer shall pay to the  
10 insured or to the person entitled thereto as shown by the insurer's records, any  
11 unearned portion of any premium paid on the policy as computed on the customary  
12 pro rata rate, unless otherwise stated in a policy that has been filed with and  
13 approved by the commissioner, and any unearned commission. If a mortgagee  
14 provided written notice to the insurer of the percentage of the premium being funded  
15 with the mortgagee's own funds, the percentage of the unearned premium attributable  
16 to the mortgagee shall be returned to the mortgagee and the percentage of the  
17 unearned premium attributable to the insured shall be returned to the insured. If no  
18 premium has been paid on the policy, the insured shall be liable to the insurer for  
19 premium for the period during which the policy was in force. Except for surplus line  
20 insurers, any assessment of a monetary penalty by an insurer against an insured as  
21 a result of the insured's cancellation prior to the expiration of any policy is  
22 prohibited. Nothing in this Section shall prohibit an insurer from calculating

1 unearned premium based on a short-rate provision contained in any insurance policy  
2 that has been filed with and approved by the commissioner.

3 \* \* \*

---

SPEAKER OF THE HOUSE OF REPRESENTATIVES

---

PRESIDENT OF THE SENATE

---

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_