

Regular Session, 2010

HOUSE BILL NO. 463

BY REPRESENTATIVE KLECKLEY

INSURANCE/POLICIES: Provides for technical recodification of certain provisions of the La. Insurance Code relative to general insurance policy requirements

1 AN ACT

2 To amend and reenact R.S. 22:851(A), 852(B), 853(B), 854(A), 855(A)(1), (B)(1) and (2)(a)
3 and (b), (C), (D)(2), (G), and (H), 856(introductory paragraph), 857, 860(A) and
4 (B)(introductory paragraph), 861(B) and (F), 862(2) and (5), 863(A), 864(B)(4), (5),
5 and (8), and (C), 865(introductory paragraph) and (1), 866, 867, 868(A)(introductory
6 paragraph) and (1) and (B), 871, 875 through 878, 879(introductory paragraph) and
7 (2) and (3), 880, 882(1) through (5), 883(C)(5)(c) and (d), 884, 885(A), (C), and (D),
8 886, 887(A)(introductory paragraph) and (1)(b) and (2), (B), (D)(1), (E), (G)(2), and
9 (H), and 888(B)(1) and (2), (C), (D), and (E), relative to technical recodification of
10 certain provisions of the Louisiana Insurance Code relative to general insurance
11 policy requirements, including correction of citations, updates of terms and language,
12 reorganization of provisions, elimination of obsolete or ineffective provisions, and
13 harmonizing of inconsistent provisions; and to provide for related matters.

14 Be it enacted by the Legislature of Louisiana:

15 Section 1. R.S. 22:851(A), 852(B), 853(B), 854(A), 855(A)(1), (B)(1) and (2)(a) and
16 (b), (C), (D)(2), (G), and (H), 856(introductory paragraph), 857, 860(A) and (B)(introductory
17 paragraph), 861(B) and (F), 862(2) and (5), 863(A), 864(B)(4), (5), and (8), and (C),
18 865(introductory paragraph) and (1), 866, 867, 868(A)(introductory paragraph) and (1) and
19 (B), 871, 875 through 878, 879(introductory paragraph) and (2) and (3), 880, 882(1) through
20 (5), 883(C)(5)(c) and (d), 884, 885(A), (C), and (D), 886, 887(A)(introductory paragraph)
21 and (1)(b) and (2), (B), (D)(1), (E), (G)(2), and (H), and 888(B)(1) and (2), (C), (D), and (E)
22 are hereby amended and reenacted to read as follows:

1 §851. Scope of Part

2 A. The applicable provisions of this Part shall apply to insurance other than
3 ocean marine and foreign trade insurances. This Part shall not apply to life insurance
4 policies or annuities not issued for delivery in this state nor delivered in this state.
5 This Part also shall not apply to any health and accident insurance policy not issued
6 for delivery in this state nor delivered in this state, except for any group policy
7 covering residents of Louisiana, regardless of ~~from~~ where it was issued or delivered.

8 * * *

9 §852. Power to contract

10 * * *

11 B. A minor not less than fifteen years of age as at nearest birthday may,
12 notwithstanding such minority, contract for life or health and accident insurance for
13 his own benefit or for the benefit of his father, mother, spouse, child, brother, sister,
14 or grandparent, or any person with an insurable interest and may exercise all rights
15 and powers with respect to or under the contract as though of full legal age, and may
16 surrender his interest therein and give a valid discharge for any benefit accruing or
17 money payable thereunder. The minor shall not, by reason of his minority, be
18 entitled to rescind, ~~avoid~~, void, or repudiate the contract, or any exercise of a right
19 or privilege thereunder; except, that such minor, not otherwise emancipated, shall not
20 be bound by any unperformed agreement to pay, by promissory note or otherwise,
21 any premium on any such insurance contract.

22 §853. Insurable interest required; property insurances

23 * * *

24 B. "Insurable interest" as used in this ~~Section~~ Chapter means any lawful and
25 substantial economic interest in the safety or preservation of the subject of the
26 insurance free from loss, destruction, or pecuniary damage.

1 §854. Interest of the insured

2 A. When the name of a person intended to be insured is specified in the
3 policy, such insurance can be applied only to his own proper interest. This Section
4 shall not apply to life, annuity, ~~and or~~ health and accident ~~insurances~~; insurance.

5 * * *

6 §855. Quoted premium shall include all charges; dollar amount required

7 A. The premium quoted by the insurer shall be a specific dollar amount
8 which shall be inclusive of all fees, charges, premiums, or other consideration
9 charged for the insurance or for the procurement thereof, except that:

10 (1) In any subsequent modification of the policy, the insurer may require that
11 evidence of insurability be furnished at the insured's expense;

12 * * *

13 B.(1) No insurer or its officer, employee, ~~agent, broker, solicitor,~~ producer
14 or other representative shall charge or receive any fee, compensation, or
15 consideration for insurance which is not included in the premium quoted to the
16 insured and the premium specified in the policy delivered to the insured, except for
17 the premium tax on a surplus lines policy which shall be separately stated, and
18 except for reimbursement for expenses due the ~~agent,~~ producer, and except for an
19 agency fee, if any, as authorized hereunder.

20 (2)(a) The ~~agent~~ producer may receive reimbursement from the insured for
21 expenses incurred by the ~~agent~~ producer directly related to the insurance coverage
22 for the insured. In addition, the ~~agent~~ producer may charge a reasonable agency fee
23 related to the services provided by the ~~agent,~~ producer. Any reimbursement or
24 agency fee shall be itemized separately on an invoice statement. A single invoice
25 may be used to make known all charges. Each such charge must be prominently
26 disclosed and itemized separately on the invoice.

27 (b) The reimbursement for expense and agency fees shall not be considered
28 premium for any purpose, nor shall they be subject to premium taxes or surplus lines
29 premium taxes. Agency fees for criminal bail bond, ~~or~~ homeowners insurance, or

1 personal automobile insurance that are standard risks insurable at standard rates shall
2 not exceed twenty-five dollars.

3 * * *

4 C. Each policy delivered to the insured shall have the full and accurate dollar
5 amount of the premium disclosed on the policy, which shall be inclusive of all fees,
6 charges, premiums, or other consideration charged for the insurance or for the
7 procurement thereof, except that, in any subsequent modification of the policy, the
8 insurer may require that evidence of insurability be furnished at the insured's
9 expense, and except that the premium tax on a surplus lines policy shall be separately
10 stated, and except for reimbursement of expenses and agency fees as authorized in
11 Paragraph (B)(2): of this Section.

12 D.

13 * * *

14 (2) In this Subsection, a person who procures the preparation of any
15 document specified in Paragraph (1) of this Subsection includes a person who
16 knowingly permits the preparation of such a document to be done or participated in
17 by a subordinate or employee, whether or not that person directly ordered or caused
18 the subordinate or employee to prepare the document. It shall not include a person
19 furnishing typing, reproducing, or providing other clerical or mechanical assistance
20 with respect to a document.

21 * * *

22 G. The commissioner may assess one or more of the following penalties
23 against any person who violates the provisions of this Section:

24 (1) A fine in an amount not greater than five thousand dollars;

25 (2) A suspension of an insurer's certificate of authority or ~~an agent's,~~
26 ~~broker's, or solicitor's~~ a producer's license; ~~or.~~

27 (3) A revocation of an insurer's certificate of authority or ~~an agent's, broker's,~~
28 ~~or solicitor's~~ a producer's license.

1 H. The provisions of this Section shall apply to all policies except life;
2 ~~accident, health, annuity, health and accident,~~ and reinsurance policies.

3 §856. Application for insurance required

4 No life, annuity, or health and accident insurance contract upon an individual,
5 except a contract of group life insurance or of group or blanket health and accident
6 insurance as defined in this Code, shall be made or effectuated unless at the time of
7 the making of the contract the individual insured, being of competent legal capacity
8 to contract, in writing applies therefor or consents thereto, except in the following
9 cases:

10 * * *

11 §857. Application as evidence; life, annuity, or health and accident insurance

12 A. No application for life, annuity, or health and accident insurance shall be
13 admissible in evidence in any action relative to the policy or contract, unless a
14 correct copy of the application was attached to or otherwise made a part of the
15 policy, or contract, when issued and delivered. This provision shall not apply to
16 policies or contracts of industrial insurance subject to R.S. 22:149(2) and 975(A)(1).

17 B. If any policy of life, annuity, or health and accident insurance delivered
18 in this state is reinstated or renewed, and the insured or the beneficiary or assignee
19 of the policy makes written request to the insurer for a copy of the application, if any,
20 for such reinstatement or renewal, the insurer shall, within fifteen days after receipt
21 of such request at its home office or at any of its branch offices, deliver or mail to the
22 person making such request, a copy of such application. If such copy is not so
23 delivered or mailed, the insurer shall be precluded from introducing the application
24 as evidence in any action or proceeding based upon or involving the reinstatement
25 or renewal of the policy.

26 * * *

27 §860. Warranties and misrepresentations in negotiation; applications

28 A. Except as provided in Subsection B of this Section, ~~and R.S. 22:1314, and~~
29 ~~R.S. 22:1315,~~ no oral or written misrepresentation or warranty made in the

1 negotiation of an insurance contract, by the insured or in his behalf, shall be deemed
2 material or defeat or void the contract or prevent it attaching, unless the
3 misrepresentation or warranty is made with the intent to deceive.

4 B. In any application for life, annuity, or health and accident insurance made
5 in writing by the insured, all statements therein made by the insured shall, in the
6 absence of fraud, be deemed representations and not warranties. The falsity of any
7 such statement shall not bar the right to recovery under the contract unless either one
8 of the following is true as to the applicant's statement:

9 * * *

10 §861. Approval of forms

11 * * *

12 B. Every such filing shall be made not less than forty-five days in advance
13 of any such issuance, delivery, or use. At the expiration of forty-five days, the form
14 so filed shall be deemed approved unless prior thereto it has been affirmatively
15 approved or disapproved by order of the commissioner of insurance. The
16 commissioner of insurance may extend by not more than an additional fifteen days
17 the period within which he may so affirmatively approve or disapprove any such
18 form, by giving notice of such extension before expiration of the initial ~~thirty-day~~*
19 forty-five-day period. At the expiration of any such period as so extended, and in the
20 absence of such prior affirmative approval or disapproval, any such form shall be
21 deemed approved. The commissioner of insurance may withdraw any such approval
22 at any time for cause. Approval of any such form by the commissioner of insurance
23 shall constitute a waiver of any unexpired portion of such initial fifteen-day waiting
24 period.

25 * * *

26 F. Insurers negotiating with and insuring special commercial entities shall
27 be exempt from the form filing and approval requirements of this Section. The
28 commissioner shall adopt rules and regulations necessary for the implementation of
29 this Subsection including a provision defining special commercial entities which

1 qualify for exemption. The definition of exempt commercial policyholder shall be
2 reviewed periodically by the commissioner. This Subsection shall apply only to
3 commercial property and casualty insurance. The regulations required by this
4 Subsection shall be ~~adopted no later than April 1, 2000.~~ issued by the commissioner.

5 §862. Grounds for disapproval

6 The commissioner of insurance shall disapprove any such form of policy,
7 application, rider, or endorsement, or withdraw any previous approval thereof, only:

8 * * *

9 (2) If it does not comply with any controlling filing ~~theretofore~~ previously
10 made and approved.

11 * * *

12 (5) If purchase of insurance ~~thereunder~~ is being solicited by deceptive
13 advertising.

14 * * *

15 §863. Standard provisions

16 A. Insurance contracts shall contain such standard provisions as are required
17 by the applicable chapters of this Code pertaining to contracts of particular kinds of
18 insurance. The commissioner of insurance may waive the required use of a
19 particular standard provision other than the provisions required in Subpart C of Part
20 IV of ~~Chapter 4 of this Title~~ this Chapter in a particular insurance contract form if:
21 both of the following apply:

22 (1) ~~He~~ The commissioner finds such provision unnecessary for the protection
23 of the insured; and inconsistent with the purposes of the contract; ~~and~~.

24 (2) The contract is otherwise approved by ~~him~~; the commissioner.

25 * * *

26 §864. Content of policies in general

27 * * *

1 B. A policy shall specify and conform to the following:

2 * * *

3 (4) The time at which the insurance ~~thereunder~~ takes effect and the period
4 during which the insurance is to continue.

5 (5) A statement of the premium, other than as to surety bonds, and if other
6 than life, annuity, accident or health, or title insurance, the premium rate.

7 * * *

8 (8) Every printed portion of the text ~~matter~~ of the policy and of any
9 endorsements or attached papers is printed in type the size of which shall be uniform
10 and the face of which shall not be ~~not~~ less than ten-point type. The text ~~matter~~ shall
11 include all printed matter except the name and address of the insurer, name or title
12 of the policy, captions, sub-captions, and form numbers.

13 * * *

14 C. If under the contract the exact amount of premiums is determinable only
15 at termination or at periodic intervals of the contract, a statement of the basis and
16 rates upon which the final premium is to be determined and paid shall be ~~furnished~~
17 provided any policy examining bureau having jurisdiction or to the insured upon
18 request.

19 * * *

20 §865. Additional contents

21 A policy may contain additional provisions, which are not inconsistent with
22 this Code, and which are; either:

23 (1) Required to be ~~so~~ inserted by the laws of the insurer's state of domicile;
24 or,

25 * * *

26 §866. Articles of incorporation; ~~by-law~~ bylaw provisions

27 No policy shall contain any provision purporting to make any portion of the
28 articles of incorporation, ~~by-laws~~, bylaws, or other constituent document of the

1 insurer a part of the contract unless such portion is set forth in full in the policy. Any
2 policy provision in violation of this Section shall be invalid.

3 §867. Must contain entire contract with exceptions

4 A. No agreement in conflict with, modifying, or extending the coverage of
5 any contract of insurance shall be valid unless it is in writing and physically made
6 a part of the policy or other written evidence of insurance, or it is incorporated in the
7 policy or other written evidence of insurance by specific reference to another policy
8 or written evidence of insurance. This Section shall not apply to contracts as
9 provided in Subpart C of Part IV of this Chapter, ~~4 of this Title.~~

10 B. The provisions of this Section shall apply where a policy or other written
11 evidence of insurance is coupled by specific reference with another policy or written
12 evidence of insurance in existence as of the effective date ~~hereof~~ or issued thereafter.

13 C. Any written agreement in conflict with, modifying, or extending the
14 coverage of any contract of insurance shall be deemed to be physically made a part
15 of a policy or other written evidence of insurance, within the meaning of this ~~section~~
16 Section, whenever such written agreement makes reference to such policy or
17 evidence of insurance and is sent to the holder of such policy or evidence of
18 insurance by United States mail, postage prepaid, at such holder's last known address
19 as shown on such policy or evidence of insurance or is personally delivered to such
20 holder.

21 §868. Limiting actions; jurisdiction

22 A. No insurance contract delivered or issued for delivery in this state and
23 covering subjects located, resident, or to be performed in this state, or any group
24 health and accident policy insuring a resident of this state regardless of where made
25 or delivered, shall contain any condition, stipulation, or agreement: either:

26 (1) Requiring it to be construed according to the laws of any other state or
27 country except as necessary to meet the requirements of the motor vehicle financial
28 responsibility laws of such other state or country; ~~or,~~

29 * * *

1 ~~heretofore or hereafter issued~~, and under the terms of which the beneficiary may be
2 changed upon the sole request of the insured, may be assigned either by pledge or
3 transfer of title, by an assignment executed by the insured alone and delivered to the
4 insurer, whether or not the pledgee or assignee is the insurer. This Section shall not
5 prohibit the assignment by the insured of any certificate of insurance issued under
6 a group life insurance policy. Any such assignment shall entitle the insurer to deal
7 with the assignee as the owner or pledgee of the policy in accordance with the terms
8 of the assignment, until the insurer has received at its home office written notice of
9 termination of the assignment or pledge. No insurer shall prohibit the assignment
10 to a viatical settlement provider of a policy otherwise assignable.

11 §877. Payment discharges insurer

12 Whenever the proceeds of, or payments under a life endowment or health and
13 accident insurance policy or any annuity contract issued by a life insurance company;
14 ~~heretofore or hereafter issued~~, become payable and the insurer makes payment
15 thereof in accordance with the terms of the policy or contract or in accordance with
16 any written assignment thereof or of any interest thereunder, hereafter made, the
17 person then designated in the policy or contract or by such assignment as being
18 entitled thereto, shall be entitled to receive such proceeds or payments and to give
19 full acquittance therefor, and such payment shall fully discharge the insurer from all
20 claims under the policy or contract unless, before payment is made, the insurer has
21 received at its home office, written notice by or on behalf of some other person that
22 such other person claims to be entitled to such payment or some interest in the policy
23 or contract. Nothing contained in this Section shall affect any claim or right to any
24 policy or contract or the proceeds thereof or payments thereunder as between persons
25 other than the insurer.

26 §878. Forms for proof of loss furnished

27 Any insurer requiring completion of a proof of loss form shall ~~furnish~~ provide
28 such form to any person claiming to have a loss under any insurance contract. ~~But,~~
29 however, such insurer shall not, by reason of the requirement ~~so to furnish~~ provide

1 forms, have any responsibility for or with reference to the completion of such proof
2 or the manner of any such completion or attempted completion.

3 §879. Claim administration not waiver

4 None of the following acts by or on behalf of an insurer shall be deemed to
5 constitute a waiver of any provision of a policy or of any defense of the insurer;
6 ~~thereunder:~~

7 * * *

8 (2) ~~Furnishing~~ Providing forms for reporting a loss or claim, for giving
9 information relative thereto, or for making proof of loss, or receiving or
10 acknowledging receipt of any such forms or proofs completed or incompletd.

11 (3) Investigating any loss or claim under any policy or engaging in
12 negotiations ~~looking toward~~ considering a possible settlement of any such loss or
13 claim.

14 §880. Validity of noncomplying forms

15 Any insurance policy, rider, or endorsement hereafter issued and otherwise
16 valid, which contains any condition or provision not in compliance with the
17 requirements of this Code, shall not be rendered invalid, ~~thereby~~, but shall be
18 construed and applied in accordance with such conditions and provisions as would
19 have applied had such policy, rider, or endorsement been in full compliance with this
20 Code.

21 * * *

22 §882. Waiver of subrogation

23 Under any policy of insurance which authorizes the insured to waive the right
24 of recovery of the insured against any party prior to loss without additional premium,
25 the insured shall also be entitled to waive in writing after loss without invalidating
26 the policy the right of recovery against any of the following:

27 (1) Anyone insured under the same policy;

28 (2) A corporation, partnership or other entity in which the insured owns
29 stock or has a proprietary interest;

1 (3) Anyone who owns stock or has a proprietary interest in the insured;

2 (4) An employee or employer of the insured;

3 (5) Anyone having an interest as owner, lessor, or lessee of the insured
4 premises or the premises on which the loss occurred and the employees, partners,
5 and stockholders of such owner, lessor, or lessee; ~~and.~~

6 * * *

7 §883. Stop-loss insurance coverage

8 * * *

9 C. A stop-loss or excess insurance policy form intended for issue to cover
10 losses of a group health plan, as defined in R.S. 22:1061(1), shall be submitted to the
11 Department of Insurance for prior approval pursuant to the policy form filing
12 requirements established by R.S. 22:861 and shall satisfy the following conditions:

13 * * *

14 (5)

15 * * *

16 (c) All applications for stop-loss or excess insurance that include the option
17 to purchase a policy providing coverage restricted to claims both incurred and paid
18 during the contract term must contain a form for acceptance or rejection of the offer
19 mandated in Subparagraph ~~(5)~~(b) of this Paragraph and must include disclosures as
20 prescribed by the commissioner.

21 (d) All applications for stop-loss or excess insurance including options to
22 purchase a policy providing coverage for claims incurred prior to the contract term,
23 or providing coverage for claims incurred prior to the contract term but paid during
24 the contract term, must contain a form for acceptance or rejection of the offer
25 mandated in Subparagraph ~~(5)~~(b) of this Paragraph and must include disclosures as
26 prescribed by the commissioner.

27 * * *

1 §884. Incontestability after reinstatement

2 The reinstatement of any policy of life or noncancellable disability insurance
3 or contract of annuity delivered or issued for delivery in this state after 12:00 noon
4 of October 1, 1948, shall be incontestable after the same period following
5 reinstatement and with the same conditions and exceptions, as provided in the policy
6 or contract with respect to the incontestability, ~~thereof~~.

7 §885. Cancellation by the insured; surrender

8 A. Cancellation by the insured of any policy which by its terms is
9 ~~cancellable~~ may be cancelled at the insured's option or of any binder based on such
10 policy may be effected by written notice thereof to the insurer and surrender of the
11 policy or binder for cancellation prior to or on the effective date of such cancellation.
12 In the event the policy or binder has been lost or destroyed and cannot be ~~so~~
13 surrendered, the insurer may in lieu of such surrender accept and in good faith rely
14 upon the insured's written statement setting forth the fact of such loss or destruction.

15 * * *

16 C. The surrender of a policy to the insurer for any cause by any person
17 named therein as having an interest insured ~~thereunder~~ under the policy shall create
18 a presumption that such surrender is ~~concurred in~~ agreed to by all persons so named.

19 D. This Section shall not apply to life insurance policies or to annuity
20 contracts, nor to the contracts provided in Subpart C of Part IV of this Chapter, ~~4. of~~
21 ~~this Title~~.

22 §886. Cancellation by the commissioner of insurance

23 The commissioner of insurance may order the immediate cancellation of any
24 policy the procuring or effectuation of which was accomplished through or
25 accompanied by a violation of this Code, except in cases where the policy by its
26 terms ~~is not cancellable~~ cannot be cancelled by the insurer and the insured did not
27 knowingly participate in any such violation.

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

2 A. Cancellation by the insurer of any policy which by its terms is ~~cancelable~~
3 may be cancelled at the option of the insurer, or of any binder based on such policy,
4 may be effected as to any interest only upon compliance with either of the following:

5 (1)

6 * * *

7 (b) Upon the written request of the named insured, the insurer shall provide
8 to the insured in writing the reasons for cancellation of the policy. There shall be no
9 liability ~~on the part of~~ and no cause of action ~~of any nature~~ shall arise against any
10 insurer or its ~~agents~~, producers, employees, or representatives for any action taken
11 by them to provide the reasons for cancellation as required by this Subparagraph.

12 (2) Like notice must also be so delivered or mailed to each mortgagee,
13 pledgee, or other known person shown by the policy to have an interest in any loss
14 which may occur, ~~thereunder~~. For purposes of this Paragraph, "delivered" includes
15 electronic transmittal, facsimile, or personal delivery.

16 * * *

17 B. The mailing of any such notice shall be effected by depositing it in a
18 sealed envelope, directed to the addressee at his last address as known to the insurer
19 or as shown by the insurer's records, with proper prepaid postage affixed, in a letter
20 depository of the United States Post Office. The insurer shall retain in its records
21 any such item so mailed, together with its envelope, which was returned by the ~~Post~~
22 Office post office upon failure to find, or deliver the mailing to the addressee.

23 * * *

24 D.(1) The portion of any premium paid to the insurer on account of the
25 policy, including unearned commission, unearned because of the cancellation and in
26 amount as computed on the pro rata basis, must be actually paid to the insured, the
27 agent of the insured, or other person entitled thereto as shown by the policy or by any
28 endorsement thereon, or be mailed to the insured or such person as soon as

1 practicable following such cancellation. Any such payment may be made by cash,
2 ~~or by~~ check, bank draft, or money order.

3 * * *

4 E. This Section shall not apply to temporary life insurance binders nor to
5 contracts of life, annuity, or health and accident insurance which do not contain a
6 provision for cancellation prior to the date to which premiums have been paid, nor
7 to the contracts provided in Subpart C of Part IV of this Chapter, ~~4 of this Title~~.

8 * * *

9 G.

10 * * *

11 (2) Like notice shall also be delivered or mailed to each mortgagee, pledgee,
12 or other known person shown by the policy to have an interest in any loss which may
13 occur, ~~thereunder~~. For purposes of this Paragraph, "delivered" includes electronic
14 transmittal, facsimile, or personal delivery.

15 * * *

16 H. Notice of cancellation or nonrenewal given by the insurer in accordance
17 with this Chapter shall be deemed sufficient. The ~~insurance~~ producer, ~~insurance~~
18 ~~agent, or insurance broker~~ shall not be required to give any separate or additional
19 notice of cancellation or nonrenewal.

20 §888. Cancellation by insurer; failure to maintain membership in required
21 organization

22 * * *

23 B. Cancellation under this Section by the insurer of any policy or of any
24 binder based on such policy, may be effected as to any interest only upon compliance
25 with either or both of the following:

26 (1)(a) Written notice of such cancellation must be actually delivered or
27 mailed to the insured or to his representative in charge of the subject of the insurance
28 not less than twenty days prior to the effective ~~day~~ date of the cancellation.

1 (b) Upon the written request of the named insured, the insurer shall provide
2 to the insured in writing the reasons for cancellation of the policy. There shall be no
3 liability ~~on the part of~~ and no cause of action ~~of any nature shall arise~~ against any
4 insurer or its ~~agents, producers,~~ employees, or representatives for any action taken
5 by them to provide the reasons for cancellation as required by this Subparagraph.

6 (2) Like notice must also be so delivered or mailed to each mortgagee,
7 pledgee, or other known person shown by the policy to have an interest in any loss
8 which may occur, ~~thereunder.~~

9 * * *

10 C. The mailing of any such notice shall be effected by depositing it in a
11 sealed envelope, directed to the addressee at his last address as known to the insurer
12 or as shown by the insurer's records, with proper prepaid postage affixed, in a letter
13 depository of the United States ~~post office.~~ Postal Service. The insurer shall retain
14 in its records any such item so mailed, together with its envelope, which was
15 returned by the post office upon failure to find, or deliver the mailing to the
16 addressee.

17 D. The affidavit of the individual making or supervising such a mailing, shall
18 constitute prima facie evidence of such facts of the mailing as are therein affirmed.

19 E. The portion of any premium paid to the insurer on account of the policy,
20 unearned because of the cancellation and in an amount as computed on the pro rata
21 basis, must be actually paid to the insured, or other person entitled thereto as shown
22 by the policy or by any endorsements thereon, or be mailed to the insured, his
23 representative, or such other person as soon as practicable following such
24 cancellation. Any such payment may be made by cash, ~~or by~~ check, bank draft, or
25 money order.

26 Section 2. The Louisiana State Law Institute is hereby directed to redesignate R.S.
27 22:881.1 as R.S. 22:890.

28 Section 3. This Act shall become effective on January 1, 2011.

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)]

Kleckley

HB No. 463

Abstract: Provides for technical recodification of certain provisions of the La. Insurance Code relative to general insurance policy requirements.

Proposed law makes numerous technical changes to present law, specifically certain provisions of the La. Insurance Code relative to general insurance policy requirements. Such changes include correction of citations, updates of terms and language, reorganization of provisions, elimination of obsolete or ineffective provisions, such as transition provisions and past effective dates, and harmonizing of inconsistent provisions.

Proposed law further directs the La. State Law Institute to redesignate R.S. 22:881.1 as R.S. 22:890.

Effective Jan. 1, 2011.

(Amends R.S. 22:851(A), 852(B), 853(B), 854(A), 855(A)(1), (B)(1) and (2)(a) and (b), (C), (D)(2), (G), and (H), 856(intro. para.), 857, 860(A) and (B)(intro. para.), 861(B) and (F), 862(2) and (5), 863(A), 864(B)(4), (5), and (8), and (C), 865(intro. para.) and (1), 866, 867, 868(A)(intro. para.) and (1) and (B), 871, 875-878, 879 (intro. para.) and (2) and (3), 880, 882(1)-(5), 883(C)(5)(c) and (d), 884, 885(A), (C), and (D), 886, 887(A)(intro. para.) and (1)(b) and (2), (B), (D)(1), (E), (G)(2), and (H), and 888(B)(1) and (2), (C), (D), and (E))