

SENATE BILL NO. 246

BY SENATOR MCPHERSON AND REPRESENTATIVE THIBAUT

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18

AN ACT

To amend and reenact R.S. 22:885(B), relative to cancellation of an insurance policy by the insured; to provide with respect to the prohibition by the insurer to assess a penalty against the insured for cancellation prior to the expiration of any policy; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

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

§885. Cancellation by the insured; surrender

* * *

B. Within thirty days following such cancellation the insurer shall pay to the insured or to the person entitled thereto as shown by the insurer's records, any unearned portion of any premium paid on the policy as computed on the customary ~~short~~ **pro rata** rate or as otherwise specified in the policy, and any unearned commission. In the event ~~the automobile~~ **a personal line or commercial line** insurance policy is canceled ~~for nonpayment to the finance company,~~ any unearned premium and commission shall be computed on a pro rata basis. If no premium has been paid on the policy, the insured shall be liable to the insurer for premium for the period during which the policy was in force. **Except for surplus line insurers, any**

