SLS 20RS-49 ENGROSSED

2020 Regular Session

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SENATE BILL NO. 299

BY SENATOR JACKSON

INSURANCE RATES. Prohibits insurers from using certain criteria for rate setting. (8/1/20)

AN ACT

2	To amend and reenact R.S. 22:1454(A), relative to rating standards and methods; to prohibit
3	the use of employment classifications to classify risks; and to provide for related
4	matters.
5	Be it enacted by the Legislature of Louisiana:
6	Section 1. The Legislature of Louisiana hereby finds that the use of certain criteria
7	by automobile insurers in determining rates amounts to discriminatory taxation of certain
8	classes of people. The provisions of this Act eliminate the blue collar worker tax imposed
9	by automobile insurers.
10	Section 2. R.S. 22:1454(A) is hereby amended and reenacted to read as follows:
11	§1454. Rating standards and methods
12	A.(1) Rates shall not be inadequate or unfairly discriminatory in a
13	competitive market. Rates shall not be excessive, inadequate, or unfairly
14	discriminatory in a noncompetitive market. Risks may be classified using any criteria
15	except that no risk shall be classified on the basis of race, color, creed, or national
16	origin.
17	(2)(a) The statewide public health emergency caused by COVID-19 has

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left a staggering statewide economic impact on Louisiana industries, including 2 but not limited to oilfields, manufacturing, agriculture, restaurant and food and beverage services, education services, places of public amusement, personal care 3 and grooming services, gyms and fitness centers, and retail stores, which has led 4 to a devastating effect on many small businesses and the Louisiana residents 5 employed in the various industries. 6 7 (b) To support the Louisiana residents employed in the affected 8 industries who have experienced layoffs and furloughs that have significantly 9 reduced their income and thereby put them in a position to have to prioritize 10 which of their families' basic needs, such as food, healthcare, housing payments, 11 insurance, or utilities, they can meet with their income limited as a result of COVID-19, no insurer shall set an insurance rate or classify any risk on the 12 13 basis of the insured's employment type or job classification. (c) The provisions of this Paragraph shall not apply to workers' 14 15 compensation policies. (d) The provisions of this Paragraph shall be null, void, and of no effect 16 17 on and after August 1, 2023. 18

The original instrument was prepared by LG Sullivan. The following digest, which does not constitute a part of the legislative instrument, was prepared by Brandi Cannon.

DIGEST

SB 299 Engrossed

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2020 Regular Session

Jackson

Present law prohibits rates from being inadequate or unfairly discriminatory in a competitive market. Further prohibits rates from being excessive, inadequate, or unfairly discriminatory in a noncompetitive market. Provides that no risk shall be classified on the basis of race, color, creed, or national origin.

Proposed law retains present law.

Proposed law prohibits risks from being classified on the basis of employment type or job classification. Proposed law is effective until August 1, 2023.

Effective August 1, 2020.

(Amends R.S. 22:1454(A))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original bill

- 1. Remove proposed law prohibiting risk classifications based on credit score or status as a widow or widower.
- 2. Prohibit risk classifications based upon employment type or job classification until August 1, 2023.