

HOUSE SUMMARY OF SENATE AMENDMENTS

HB 296

2020 Regular Session

Illg

INSURANCE/POLICIES: Provides for cancellation of a policy by the insured party

Synopsis of Senate Amendments

1. Removes a present law requirement that to effectuate cancellation of a policy the insured shall surrender the policy or binder or, in the event the policy or binder has been lost or destroyed and cannot be surrendered, then the insurer may in good faith rely upon a written statement by the insured that such policy or binder has been lost or destroyed.
2. Adds a provision of law stating that nothing in present law or proposed law shall be construed to require an insurer to cancel a policy before the date the insurer receives the written notice as required by proposed law.
3. Changes a present law provision which mandates that surrender of a policy or binder by any named insured under the policy creates a presumption that surrender of the policy or binder is agreed to by all of the named insureds under the policy to mandate that written notice of cancellation by any named insured under the policy creates a presumption that the cancellation is agreed to by all of the named insureds under the policy.
4. Makes technical changes.

Digest of Bill as Finally Passed by Senate

Present law allows the cancellation by the insured of any policy which may be cancelled at the insured's option, or of any binder based on the policy, to be effected if both of the following are done prior to or on the effective date of the cancellation:

- (1) Written notice given to the insurer.
- (2) Surrender of the policy or binder for cancellation.

Proposed law requires the cancellation by the insured to only be effected by written notice and removes the deadline for providing the notice and the requirement to surrender the policy or binder.

Present law authorizes the insurer, in the event the policy or binder has been lost or destroyed and cannot be surrendered, to accept and in good faith rely upon the insured's written statement setting forth the fact of the loss or destruction.

Proposed law repeals present law.

Proposed law provides that nothing in present law or proposed law shall be construed to require an insurer to cancel a policy before the date the insurer receives the written notice as required by proposed law.

Present law provides that the surrender of a policy to the insurer for any cause by any person named in the policy as having an interest insured under the policy creates a presumption that the surrender is agreed to by all persons covered by the policy.

Proposed law provides that the written notice of cancellation of a policy to the insurer for any cause by any person named in the policy as having an interest insured under the policy

creates a presumption that the cancellation is agreed to by all persons covered by the policy.

Proposed law defines "written" as the insured's intentional recording of words in a visual form, whether in the form of handwriting, printing, typewriting, electronic communication, or any other tangible form.

Effective Jan. 1, 2021.

(Amends R.S. 22:885(A) and (C); Adds R.S. 22:885(F))