
DIGEST

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HB 296 Engrossed

2020 Regular Session

Illg

Abstract: Requires the cancellation of an insurance policy by the insured party to be effected by written notice.

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.

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 retains present law but makes technical changes.

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); Adds R.S. 22:885(F))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Change provisions of proposed law from requiring the cancellation by the insured to be effected by written notice to requiring the cancellation by the insured to be effected only by written notice.

2. Restore provisions of present law that require surrender of the binder to effectuate cancellation.