

Regular Session, 2014

HOUSE BILL NO. 286

BY REPRESENTATIVE THIBAUT

INSURANCE/LIFE: Requires life insurers to notify insureds relative to conversion option

1 AN ACT

2 To enact R.S. 22:931(A)(12), relative to individual life insurance policies; to require insurers
3 to notify insureds of when their conversion option will expire; and to provide for
4 related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 22:931(A)(12) is hereby enacted to read as follows:

7 §931. Life insurance policies; standard provisions

8 A. No policy of life insurance, except as stated in Subsection C of this
9 Section, shall be delivered or issued for delivery in this state unless it contains in
10 substance the following provision or provisions which, in the opinion of the
11 commissioner of insurance, are more favorable to the policyholder:

12 * * *

13 (12) Conversion notice. A provision requiring that the insurer notify the
14 policyholder of his option to convert his policy from term life insurance to
15 permanent life insurance at least thirty-one days prior to the expiration of the
16 conversion option, if such an option is applicable. Such notice shall be a separate
17 notice or contained in either a premium notice or an annual premium summary.

18 * * *

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)]

Thibaut

HB No. 286

Abstract: Requires prior notice of conversion option in individual life insurance policies.

Present law lists standard provisions to be contained in individual life insurance policies.

Proposed law adds a provision requiring that the insurer notify the policyholder of his option to convert his policy from term life insurance to permanent life insurance at least 31 days prior to the expiration of the conversion option, if such an option is applicable. Such notice shall be a separate notice or contained in either a premium notice or an annual premium summary.

(Adds R.S. 22:931(A)(12))