

2020 Regular Session

HOUSE BILL NO. 296

BY REPRESENTATIVE ILLG

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

1 AN ACT

2 To amend and reenact R.S. 22:885(A) and to enact R.S. 22:885(F), relative to the
3 cancellation of an insurance policy by the insured party; to require cancellation by
4 the insured to be effected by written notice; to remove the deadline for providing the
5 notice; to provide an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:885(A) is hereby amended and reenacted and R.S. 22:885(F) is
8 hereby enacted to read as follows:

9 §885. Cancellation by the insured; surrender

10 A. Cancellation by the insured of any policy which by its terms may be
11 cancelled at the insured's option or of any binder based on ~~such~~ the policy may shall
12 only be effected by written notice thereof to the insurer and surrender of the policy
13 or binder ~~for cancellation prior to or on the effective date of such cancellation~~. In the
14 event the policy or binder has been lost or destroyed and cannot be surrendered, the
15 insurer may in lieu of ~~such~~ the surrender accept and in good faith rely upon the
16 insured's written statement setting forth the fact of ~~such~~ the loss or destruction.

17 * * *

18 F. For purposes of this Section, "written" shall mean the insured's intentional
19 recording of words in a visual form, whether in the form of handwriting, printing,
20 typewriting, electronic communication, or any other tangible form.

1 Section 2. This Act shall become effective on January 1, 2021.

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)]

HB 296 Engrossed

2020 Regular Session

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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.