

2020 First Extraordinary Session

HOUSE BILL NO. 32

BY REPRESENTATIVE JAMES

INSURANCE/RATES: Provides relative to rate determinations based on risks classified by the insured's credit information (Item #40)

1 AN ACT

2 To amend and reenact R.S. 22:1454(A) and to repeal Subpart P of Part IV of Chapter 4 of
3 Title 22 of the Louisiana Revised Statutes of 1950, comprised of R.S. 22:1501
4 through 1514, relative to insurance rating standards and methods; to prohibit rate
5 classifications based on an insured's credit information; to repeal provisions
6 regarding the use of credit information; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:1454(A) is hereby amended and reenacted to read as follows:

9 §1454. Rating standards and methods

10 A. Rates shall not be inadequate or unfairly discriminatory in a competitive
11 market. Rates shall not be excessive, inadequate, or unfairly discriminatory in a
12 noncompetitive market. Risks may be classified using any criteria except that no
13 risk shall be classified on the basis of race, color, creed, ~~or~~ national origin, or the
14 insured's credit information.

15 * * *

16 Section 2. Subpart P of Part IV of Chapter 4 of Title 22 of the Louisiana Revised
17 Statutes of 1950, comprised of R.S. 22:1501 through 1514, is hereby repealed in its entirety.

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 32 Original

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James

Abstract: Prohibits risks classifications based on an insured's credit information when determining rates.

Present law prohibits inadequate or unfairly discriminatory rates in a competitive market.

Present law prohibits rates from being excessive, inadequate, or unfairly discriminatory in a noncompetitive market.

Present law authorizes risk classifications based on any criteria except race, color, creed, or national origin.

Proposed law retains present law and further prohibits risk classifications based on a person's credit information.

Present law regulates the use of credit information for personal insurance.

Proposed law repeals present law.

(Amends R.S. 22:1454(A); Repeals R.S. 22:1501-1514)