

SENATE BILL NO. 122

BY SENATORS DUPRE, CRAVINS, LONG AND MORRISH

1 AN ACT

2 To enact R.S. 22:636.2(E), relative to insurance policies; to provide for annual review of  
3 certain insurers who cancel or fail to renew certain policies that negatively impact  
4 the financial solvency of the insurer; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 22:636.2(E) is hereby enacted to read as follows:

7 §636.2. Property, casualty, and liability insurance policies; cancellation and  
8 nonrenewal provisions; nonrenewal for rate inadequacy; certain  
9 prohibitions

10 \* \* \*

11 **E. The department shall review annually every insurer that cancels or**  
12 **fails to renew any insurance policy providing property, casualty, or liability**  
13 **insurance on any property which policy has been in effect and renewed for more**  
14 **than three years when the cancellation or nonrenewal is based on the reason**  
15 **that continuation of the policy endangers the solvency of the insurer or when**  
16 **based on the reason, in whole or in part, of inadequacy or insufficiency of the**  
17 **rate or premium for coverage after the insurer has sought actuarially justified**  
18 **rate relief from the commissioner and such relief has been rejected by the**  
19 **commissioner. Any action against an insurer taken by the department for a**  
20 **violation of the provisions of this Section shall remain in effect until changed or**

1            modified by the commissioner based upon the review required under the  
2            provisions of this Subsection.

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_