

Regular Session, 2003

ACT No. 456

HOUSE BILL NO. 1508

BY REPRESENTATIVE HEBERT

AN ACT

To amend and reenact R.S. 22:1401(E) and (F), 1404(5), 1405(C), 1406(A), (B), and (D)(1)(a)(ii) and (c)(i)(introductory paragraph), 1407(A)(1) and (2)(introductory paragraph), (B), (C), (D), (E), (G), (H), and (K), 1408, 1409(A), (B), (D), and (G)(2), 1410, 1411, 1413(B), (C), and (D), 1414(B), 1415, 1416, 1418, 1419(A)(1) and (B), and 1422 and to repeal R.S. 22:1401(G) and (H), 1406(C) and (D)(7), 1407(J) and (L), 1417.1, and 1420, relative to the functions, duties, and activities of the Louisiana Insurance Rating Commission; to provide for the office of property and casualty; to provide for procedures; to provide for expenses; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1401(E) and (F), 1404(5), 1405(C), 1406(A), (B), and (D)(1)(a)(ii) and (c)(i)(introductory paragraph), 1407(A)(1) and (2)(introductory paragraph), (B), (C), (D), (E), (G), (H), and (K), 1408, 1409(A), (B), (D), and (G)(2), 1410, 1411, 1413(B), (C), and (D), 1414(B), 1415, 1416, 1418, 1419(A)(1) and (B), and 1422 are hereby amended and reenacted to read as follows:

§1401. Louisiana Insurance Rating Commission; creation, membership, selection, compensation, powers, duties, and functions; budgetary control; use of funds

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~~E. The Fire Insurance Division, the Casualty and Surety Insurance Division and the Marine and Inland Marine Insurance Division are abolished and all of the powers, duties and functions vested in and exercised by these divisions shall be transferred to and thereafter performed by the Louisiana Insurance Rating Commission. The office of property and casualty of the Department of Insurance shall facilitate the functions and activities of the Louisiana Insurance Rating Commission. As used in this Part, the term "office of property and casualty" shall mean the office of property and casualty of the Department of Insurance, and the term "commission" shall mean the Louisiana Insurance Rating Commission.~~

~~F.(1) Under the transfer of functions provided for by this Section, any pending or unfinished business of any of said divisions shall be taken over and be completed by the commission with the same power and authority as the divisions from which the functions are transferred. The commission shall be the successor in every way to these divisions, and every act done by the commission in the exercise of such functions shall be deemed to have the same force and effect under any provisions of the constitution and laws in effect on the effective date of this transfer as if done by the divisions from which such functions are transferred.~~

~~(2) Whenever any of these divisions are referred to or designated by any law or contract or other document, such reference or designation on and after September 1, 1972, shall be deemed to apply to the commission, and the~~ The legislature hereby specifically states that the provisions of this Section are in no way and to no extent intended to nor shall they be construed in any manner which will impair

~~the any contractual obligations of any of the divisions as they heretofore existed, or of the state of Louisiana with respect to any such divisions prior to September 1, 1972.~~

* * *

§1404. Making of rates

All rates shall be made in accordance with the following provisions:

* * *

(5) Except to the extent necessary to meet the provisions of Paragraph (2) of this Section, uniformity among insurers in any matters within the scope of this Section is not required nor prohibited. Nothing in this Code shall be construed to prohibit any insurer from deviating upon proper approval under this Part from any rate loss cost established by a rating organization or ~~any division~~ the commission, provided the rate used is adequate, or to prevent any insurer upon proper approval under this Part ~~by the proper division~~ from issuing policies for periods of time and at rates approved by the ~~divisions~~ commission; or from charging in addition to the premium a separate initial membership, policy, inspection fee, interim title insurance binder fee, or other similar charge.

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§1405. Fire insurance rates; the Property Insurance Association of Louisiana

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~~C. The Louisiana Insurance Rating Commission shall be notified of all meetings of the association and shall be privileged to attend and observe all proceedings or to send a representative of the~~

~~commission.~~ The Louisiana Insurance Rating Commission shall review the rates promulgated by the association or other rating organization to determine whether they meet the requirements of this Part. Such review shall be made in the same manner and subject to the same procedure as is provided in R.S. 22:1407.

* * *

§1406. Specific duties of ~~casualty and surety division~~ the Louisiana Insurance Rating Commission; uninsured motorist coverage; temporary substitute vehicles and rental vehicles

A. Every insurance company, reciprocal or exchange, authorized to write casualty insurance, including vehicle insurance, within the scope of this Part shall adhere to rates as approved by the ~~Casualty and Surety Insurance Division~~ commission. Rates filed in accordance with the provisions of R.S. 22:1407(F) shall be subject to review as provided in R.S. 22:1408(C), and any insurer may apply for a deviation in accordance with R.S. 22:1410.

B. The ~~Casualty and Surety Insurance Division~~ commission, after ~~consultation with all insurers~~ review, shall ~~determine~~ approve territorial definitions and classification plans for all casualty insurance coverages, as incorporated in rate and rule filings submitted by insurers, and such territories and classification plans shall be adhered to ~~by all insurers~~ as approved, provided that nothing in this Subsection shall be construed as requiring uniformity in insurance rates.

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D. The following provisions shall govern the issuance of uninsured motorist coverage in this state:

(1)(a)

* * *

(ii) ~~After September 1, 1987, such~~ Such rejection, selection of lower limits, or selection of economic-only coverage shall be made only on a form prescribed by the commissioner of insurance. The prescribed form shall be provided by the insurer and signed by the named insured or his legal representative. The form signed by the named insured or his legal representative which initially rejects such coverage, selects lower limits, or selects economic-only coverage shall be conclusively presumed to become a part of the policy or contract when issued and delivered, irrespective of whether physically attached thereto. A properly completed and signed form creates a rebuttable presumption that the insured knowingly rejected coverage, selected a lower limit, or selected economic-only coverage. The form signed by the insured or his legal representative which initially rejects coverage, selects lower limits, or selects economic-only coverage shall remain valid for the life of the policy and shall not require the completion of a new selection form when a renewal, reinstatement, substitute, or amended policy is issued to the same named insured by the same insurer or any of its affiliates. An insured may change the original uninsured motorist selection or rejection on a policy at any time during the life of the policy by submitting a new uninsured motorist selection form to the insurer on the form prescribed by the commissioner of insurance. Any changes to an existing policy, regardless of whether these changes create new coverage, except changes in the limits of liability, do not create a new policy and do not require the completion of new uninsured motorist selection forms. For the purpose of this Subsection, a new

policy shall mean an original contract of insurance which an insured enters into through the completion of an application on the form required by the insurer. ~~Any form executed prior to September 6, 1998, shall be valid only until the policy renewal date; thereafter, the rejection, selection of lower limits, or selection of economic-only coverage shall be on a form prescribed by the commissioner as provided in this Subsection.~~

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(c)(i) If the insured has any limits of uninsured motorist coverage in a policy of automobile liability insurance, in accordance with the terms of ~~Subsection~~ Subparagraph (D)(1)(a) of this Section, then such limits of liability shall not be increased because of multiple motor vehicles covered under said policy of insurance, and such limits of uninsured motorist coverage shall not be increased when the insured has insurance available to him under more than one uninsured motorist coverage provision or policy; ~~provided, however, that~~ with respect to other insurance available, the policy of insurance or endorsement shall provide the following:

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§1407. Rate filing; ~~assigned risk depopulation~~

A.(1) Every insurer whose rates are subject to regulation under the provisions of this Part shall file with the ~~respective divisions~~ office of property and casualty, except as to excess insurance coverage, and inland marine risks which by general custom of the business are not written according to manual rates or rating plans, every manual, minimum, class rate, rating schedule or rating plan and every other rating rule, and every modification of any of the foregoing which it

proposes to use. Every such filing shall state the proposed effective date thereof and shall indicate the character and extent of the coverage contemplated. Specific inland marine rates on risks specifically rated, made by a rating organization, shall be filed with the ~~Marine and Inland Marine Insurance Division~~ office of property and casualty.

(2) When a filing made pursuant to this Subsection is not accompanied by the information upon which the insurer or rating organization supports such filing, and the ~~division~~ office of property and casualty does not have sufficient information to determine whether such filing meets the requirements of this Part, it shall require such insurer or rating organization to furnish the information upon which it supports such filing, and in such event the waiting period shall commence as of the date such information is furnished. The information furnished in support of a filing may include:

* * *

B. Each insurer shall satisfy its obligation to make such filings by filing its rate requests individually with the Louisiana Insurance Rating Commission. A specific rate for an insurer may only be filed by that insurer, except as designated or authorized by the Louisiana Insurance Rating Commission because of lack of credibility of data in the statistical base. Informational filings may be made by a licensed rating organization, but such informational filings shall not include specific rates, except as provided in R.S. 22:1409(G). An insurer may become a member of, or a subscriber to, a licensed rating organization which makes informational filings; provided that, except with respect to mandatory membership in the ~~Louisiana rating and fire prevention bureau~~ Property Insurance Association of Louisiana as provided in R.S.

22:1405, nothing contained in this Part shall be construed as requiring any insurer to become a member of or a subscriber to any rating organization.

C. The ~~division~~ commission shall review filings as soon as reasonably possible after they have been made with it in order to determine whether they meet the requirements of this Part, and no such filings shall become effective except as provided in this Part.

D. Subject to the exceptions specified in ~~Subsection~~ Subsections E and ~~Subsection~~ F of this Section, each filing shall be on file for a waiting period of forty-five days before it becomes effective. Upon written application by such insurer or rating organization, the ~~division~~ commission may authorize a filing which it has reviewed to become effective before the expiration of the waiting period. A filing shall be deemed to meet the requirements of this Part unless disapproved by the ~~division~~ commission within the waiting period in accordance with R.S. 22:1408.

E. Specific inland marine rates on risks specially rated by a rating organization shall become effective when filed and shall be deemed to meet the requirements of this Part until such time as the ~~division~~ commission reviews the filing and so long thereafter as the filing remains in effect.

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G. Under such rules and regulations as the ~~division~~ commission shall adopt, the ~~division~~ commission may, by written order, suspend or modify the requirements of filing as to any kind of insurance, subdivision, or combination thereof, or as to classes of risks, the rates for which cannot practicably be filed before they are used. Such order,

rules, and regulations shall be made known to insurers and to rating organizations affected thereby. The ~~division~~ commission may make such examination as it may deem advisable to ascertain whether any rates affected by such order meet the requirement of filing as to any kind of insurance, subdivision, or combination thereof, or as to classes of risks, the rates for which ~~can not~~ cannot practicably be filed before they are used. Such orders, rules, and regulations shall be made known to insurers and rating organizations affected thereby. The ~~division~~ commission may make such examination as it may deem advisable to ascertain whether any rates affected by such order meet the standards set forth in ~~Paragraph (2) of~~ R.S. 22:1404(2).

H. Upon the written application of the insured, stating his reasons therefor, filed with and approved by the ~~division~~ commission, a rate in excess of that provided by a filing otherwise applicable may be used on any specific risk.

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~~K.(1) Notwithstanding any law to the contrary, after the effective date of this Subsection, any Any insurance company licensed to issue workers' compensation insurance policies in the state of Louisiana, and the Louisiana Worker's Compensation Assigned Risk Plan, whose rates are subject to the provisions of this Part, may file rates on an actuarially justified class code basis with the Louisiana Insurance Rating Commission and use the rates ninety days after the filing. However, the Louisiana Worker's Compensation Assigned Risk Plan shall not file and use any increase in rates in excess of an average of twenty-five percent annually of its worker's compensation insurance rates in the state, without prior approval of the Insurance Rating~~

~~Commission:~~ Insurance companies licensed to issue workers' compensation policies, ~~other than pursuant to the Louisiana Worker's Compensation Assigned Risk Plan for each of the calendar years 1991, 1992, and 1993,~~ shall not file and use any rates in excess of an average of twenty percent annually of its workers' compensation insurance rates in the state without prior approval of the Insurance Rating Commission.

~~(2) Notwithstanding any law to the contrary, after the effective date of this Subsection, any insurance company and its policyholder may mutually consent to modify the rates for that policyholder's worker's compensation policy, provided the insurance company files notice of same with the Insurance Rating Commission.~~

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§1408. Disapproval of filings

A. If within the waiting period or any extension thereof as provided in ~~Subsection D~~ of R.S. 22:1407(D) the respective division commission finds that a filing does not meet the requirements of this Part, it shall send to the insurer or rating organization which made such filings written notice of disapproval of such filing specifying wherein it finds such filing fails to meet the requirements of this Part and stating that such filing shall not become effective.

B. If within thirty days after a specific inland marine rate on a risk specially rated by a rating organization subject to ~~Subsection E~~ of R.S. 22:1407(E) has become effective, the ~~division~~ commission finds that such filing does not meet the requirements of this Part, it shall send to the insurer or rating organization which made such filing written notice of disapproval of such filing, specifying wherein it finds that such filing fails to meet the requirements of this Part and stating when,

within a reasonable period thereafter, such filing shall be deemed no longer effective. Said disapproval shall not affect any contract made or issued prior to the expiration of the period set forth in said notice.

C. If at any time subsequent to this applicable review period provided for in Subsection A or B of this Section, or after a filing has become effective under ~~Subsection F of R.S. 22:1407(F)~~, the ~~division office of property and casualty~~ finds that a filing does not meet the requirements of this Part, it shall, ~~after request~~ after request a hearing to be held before the ~~division~~ commission upon not less than ten days' written notice, specifying the matters to be considered at such hearing to every insurer and rating organization which made such filing, and the commission shall thereafter issue an order specifying in what respects ~~the division, if any, the commission~~ finds that such filing fails to meet the requirements of this Part, and stating when, within a reasonable period thereafter, such filing shall be deemed no longer effective. Copies of said order shall be sent to every such insurer and rating organization. Said order shall not affect any contract or policy made or issued prior to the expiration of the period set forth in said order.

D.(1) Any person or organization aggrieved with respect to any filing which is in effect may make written application to the ~~division~~ commission for a hearing thereon; ~~provided, however, that~~ the insurer or rating organization that made the filing shall not be authorized to proceed under this Subsection. Such application shall specify the grounds to be relied upon by the applicant. If the ~~division~~ commission shall find that the application is made in good faith, that the applicant would be so aggrieved if his grounds are established, and that such grounds otherwise justify holding such a hearing, it shall within thirty

days after receipt of such application hold a hearing upon not less than ten days' written notice to the applicant and to every insurer and rating organization which made such filing.

(2) If, after such hearing, the ~~division~~ commission finds that the filing does not meet the requirements of this Part, it shall issue an order specifying in what respect the ~~division~~ commission finds that such filing fails to meet the requirements of this Part, and stating when, within a reasonable period thereafter, such filing shall be deemed no longer effective. Copies of said order shall be sent to the applicant and to every such insurer and rating organization. Said order shall not affect any contract or policy made or issued prior to the expiration of the period set forth in said order.

§1409. Other rating organizations

A. A corporation, an unincorporated association, a partnership, or an individual, whether located within or outside this state, may make application to the ~~proper division~~ commission for license as a rating organization for such kinds of insurance, or subdivision, or class of risk, or a part or combination thereof as are specified in its application and shall file therewith (1) a copy of its constitution, its articles of agreement or association, or its certificate of incorporation, and of its bylaws, rules, and regulations governing the conduct of its business, (2) a list of its members and subscribers, (3) the name and address of a resident of this state upon whom notices or orders of the commission or a division or process affecting such rating organization may be served, and (4) a statement of its qualifications as a rating organization. If the ~~division~~ commission finds that the applicant is competent, trustworthy, and otherwise qualified to act as a rating organization and

that the public interest would be served by issuing a license to such organization, not heretofore licensed, for a kind or class of insurance subject to this Part, and that its constitution, articles of agreement or association, or certificate of incorporation, and its bylaws, rules, and regulations governing the conduct of its business conform to the requirements of law, the ~~division~~ commission shall issue a license specifying the kinds of insurance, or subdivision, or class of risk, or part or combination thereof for which the applicant is authorized to act as a rating organization. Every such application shall be granted or denied in whole or in part by the ~~division~~ commission within sixty days of the date of its filing with it. Licenses issued pursuant to this Section shall remain in effect for three years unless sooner suspended or revoked by the ~~division~~ commission. Licenses issued pursuant to this Section may be suspended or revoked by the ~~division~~ commission after hearing upon notice, in the event the rating organization ceases to meet the requirements of this Subsection. Every rating organization shall notify the ~~division~~ commission promptly of every change in (1) its constitution, its articles of agreement, or association, or its certificate of incorporation, and its bylaws, rules, and regulations governing the conduct of its business, (2) its list of members and subscribers, and (3) the name and address of the resident of this state designated by it upon whom notices or orders of the commission ~~or appropriate division~~ or process affecting such rating organization may be served.

B. Subject to rules and regulations which have been approved by the ~~proper division~~ commission as reasonable, each rating organization, including the ~~Louisiana Rating and Fire Prevention Bureau~~ Property Insurance Association of Louisiana, shall permit any

insurer, not a member to be a subscriber to its rating services for any kind of insurance, subdivision, or class of risk or a part or combination thereof for which it is authorized to act as a rating organization. Notice of proposed changes in such rules and regulations shall be given to subscribers. Each rating organization shall furnish its rating services without discrimination to its members and subscribers. The reasonableness of any rule or regulation in its application to subscribers, or the refusal of any rating organization to admit an insurer as a subscriber, shall, at the request of any subscriber or any such insurer, be reviewed by the ~~proper division~~ commission at a hearing held upon at least ten days' written notice to such rating organization and to such subscriber or insurer. If the ~~division~~ commission finds that such rule or regulation is unreasonable in its application to subscribers, the ~~division~~ commission shall order that such rule or regulation shall not be applicable to subscribers. If the rating organization fails to grant or reject an insurer's application for subscribership within thirty days after it was made, the insurer may request a review by the ~~division~~ commission as if the application had been rejected. If the ~~division~~ commission finds that the insurer has been refused admittance to the rating organization as a subscriber without justification, the ~~division~~ commission shall order the rating organization to admit the insurer as a subscriber. If the ~~division~~ commission finds that the action of the rating organization was justified, ~~the division~~ it shall make an order affirming its action.

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D. Co-operation among rating organizations or among rating organizations and insurers in ratemaking or in other matters within the

scope of this Part is hereby authorized, provided the filings resulting from such co-operation are subject to all the provisions of this Part which are applicable to filing generally. The commission ~~or the proper division~~ may review such cooperative activities and practices and if, after a hearing, it finds that any such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of this Part, the commission ~~or the proper division~~ shall issue a written order specifying in what respects such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of this Part, and requiring the discontinuance of such activity or practice.

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(2) The following associations shall be authorized to make filings, including rate filings, for their members:

(a) The Property Insurance Association of Louisiana.

~~(b) The Worker's Compensation Assigned Risk Plan.~~

(c) (b) The ~~Automobile Assigned Risk Plan~~ Louisiana Automobile Insurance Plan.

~~(d)~~ (c) The Louisiana Joint Reinsurance Association (FAIR plan).

~~(e)~~ (d) The Louisiana Insurance Underwriting Association (Coastal plan).

§1410. Deviations

A. Every member of or subscriber to the ~~Louisiana Rating and Fire Prevention Bureau~~ Property Insurance Association of Louisiana or

other rating organization shall adhere to the rates and filings made on its behalf by such organization, except that:

(1) In case of fire, marine, and inland marine insurance to which this Part applies, any insurer may make written application to the ~~proper division~~ commission for permission to file a deviation from the class rates, schedules, rating plans or rules respecting any kind of insurance, or class of risk within a kind of insurance or combination thereof. Such application shall specify the basis for the modification, and a copy thereof shall also be sent simultaneously to such rating organization concerned.

(2) In the case of casualty insurance to which this Part applies, any insurer may make written application to the ~~division~~ commission for permission to file a uniform percentage decrease or increase to be applied to the premiums produced by the rating system prescribed or permitted by the ~~division~~ commission for a kind of insurance, or for a class of insurance which is found by the ~~division~~ commission to be a proper rating unit for the application of such uniform percentage decrease or increase, or for a subdivision of a kind of insurance ~~(1)~~(a) comprised of a group of manual classifications which is treated as a separate unit for rate-making purposes, or ~~(2)~~(b) for which separate expense provisions are included in the rating system prescribed or permitted by the ~~division~~ commission. Such application shall specify the basis for the modification and shall be accompanied by the data upon which the applicant relies.

B. The ~~division concerned~~ office of property and casualty shall ~~set a time and a place for a hearing before~~ place all such applications for deviations on the agenda for a regularly scheduled meeting of the

~~division commission at which the insurer and such rating organization, if any, may be heard, and shall give them not less than ten days' written notice thereof. In the event the division is advised by the insurer or rating organization that it does not desire a hearing it may, upon the consent of the applicant, waive such hearing. The division commission shall issue an order permitting the modification for such insurer to be filed if it, ~~after hearing,~~ finds it to be justified, and it shall thereupon become effective. It shall issue an order denying such application if it, ~~after hearing,~~ finds that the modification is not justified or that the resulting premiums would be excessive, inadequate, or unfairly discriminatory. The insurer so denied ~~without a hearing~~ by the commission may then apply to the ~~division~~ commission for a hearing thereon notwithstanding its previous waiver of such hearing. Each deviation permitted to be filed shall be effective for a period of one year from the date of such permission unless terminated sooner with the approval of the ~~division~~ commission.~~

C. In considering the application for permission to file such deviation in the case of fire, marine, and inland marine insurance, the ~~proper division~~ commission shall give consideration to the available statistics and the applicable principles for ratemaking as provided in R.S. 22:1404. The ~~proper division~~ commission shall approve such application if the rate sought to be used meets the requirements of R.S. 22:1404(3).

§1411. Appeal ~~by minority~~

Any member of or subscriber to a rating organization may appeal to the ~~proper division~~ commission from the action or decision of such rating organization in approving or rejecting any proposed

change in or addition to the filings of such rating organization and the ~~division~~ commission shall, after a hearing held ~~before the division~~ upon not less than ten days' written notice to the appellant and to such rating organization, issue an order approving the action or decision of such rating organization or directing it to give further consideration to such proposal, or, if such appeal is from the action or decision of the rating organization in rejecting a proposed addition to its filings, it may, in the event the ~~division~~ commission finds that such action or decision was unreasonable, issue an order directing the rating organization to make an addition to its filings, on behalf of its members and subscribers, in a manner consistent with the findings of the ~~division~~ commission within a reasonable time after the issuance of such order.

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§1413. Advisory organizations

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B. Every advisory organization shall file with the ~~proper~~ division commission (1) a copy of its constitution, its articles of agreement or association, or its certificate of incorporation and of its bylaws, rules, and regulations governing its activities, (2) a list of its members, (3) the name and address of a resident of this state upon whom notices or orders of the commission, or ~~a proper division~~ the office of property and casualty, or process issued at the direction of the commission ~~or a division~~ may be served, and (4) an agreement that the commissioner of insurance may examine such advisory organization in accordance with the provisions of Part XXVIII.

C. If after a hearing, the ~~division~~ commission finds that the furnishing of such information or assistance involves any act or practice

which is unfair or unreasonable or otherwise inconsistent with the provisions of this Part, the ~~division~~ commission shall issue a written order specifying in what respects such act or practice is unfair or unreasonable or otherwise inconsistent with the provisions of this Part, and requiring the discontinuance of such act or practice.

D. No insurer which makes its own filings nor any rating organization shall support its filings by statistics or adopt rate-making recommendations, furnished to it by an advisory organization which has not complied with this Section or with an order of the ~~division~~ commission involving such statistics or recommendations issued under Subsection C of this Section. If the ~~division~~ commission finds such insurer or advisory organization to be in violation of this Subsection, it may issue an order requiring the discontinuance of such violation.

§1414. Joint underwriting or joint reinsurance

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B. If, after a hearing, the ~~proper division~~ commission finds that any activity or practice of any such group, association, or other organization is unfair or unreasonable or otherwise inconsistent with the provisions of this Part, the ~~division~~ commission shall issue a written order specifying in what respects such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of this Part, and requiring the discontinuance of such activity or practice.

§1415. Rate administration

A. Recording and reporting of loss and expense experience. The ~~divisions~~ commission shall promulgate reasonable rules and statistical plans, reasonably adapted to each of the rating systems on file with the ~~divisions~~ commission, which may be modified from time to

time and which shall be used thereafter by each insurer in the recording and reporting of its loss and countrywide expense experience, in order that the experience of all insurers may be made available at least annually in such form and detail as may be necessary to aid the ~~divisions~~ office of property and casualty and the commission in determining whether rating systems comply with the standards set forth in R.S. 22:1404. Such rules and plans may also provide for the recording and reporting of expense experience items which are specially applicable to this state and are not susceptible of determination by a prorating of countrywide expense experience. In promulgating such rules and plans, the ~~division~~ commission shall give due consideration to the ratings systems on file with the ~~division~~ commission and, in order that such rules and plans may be as uniform as is practicable among the several states, to the rules and to the form of the plans used for such rating systems in other states. No insurer shall be required to record or report its loss experience on a classification basis that is inconsistent with the rating system filed by it. The commission ~~and the divisions~~ may designate one or more rating organizations or other agencies to assist ~~each of them~~ it in gathering such experience and making compilations thereof, and such compilations shall be made available, subject to reasonable rules promulgated by the commission, ~~or the proper division~~ to insurers and rating organizations.

B. Interchange of rating plan data. Reasonable rules and plans may be promulgated by the commission ~~and each division~~ for the interchange of data necessary for the application of rating plans.

C. Consultation with other states. In order to further uniform administration of rate regulatory laws, the commission, ~~its divisions~~ the office of property and casualty, and every insurer and rating organization may exchange information and experience data with insurance supervisory officials, insurers, and rating organizations in other states and may consult with them with respect to ratemaking and the application of rating systems.

D. Rules and regulations. The commission ~~and its divisions~~ may make reasonable rules and regulations necessary to effect the purposes of this Part, but no such rule or regulation shall unfairly discriminate against any insurer on account of its plan of operation or otherwise, regardless of whether or not any such insurer is a member of a rating organization.

§1416. False or misleading information

No person or organization shall ~~wilfully~~ willfully withhold information from, or knowingly give false or misleading information to the commission, ~~a division~~ the office of property and casualty, any statistical agency designated by him, any rating organization, or any insurer which will affect the rates or premiums chargeable under this Part. A violation of this Section shall subject the one guilty of such violation to the penalties provided for violation of this Part.

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§1418. Hearing procedure

Any insurer or rating organization aggrieved by any order or decision of the commission ~~or of a division~~ made without a hearing may within thirty days after notice of the order to the insurer or organization, make written request to the commission for a hearing

thereon. Any hearing under this Part and any review of any action taken by the commission shall be in conformity with the procedure set forth in Part XXIX.

§1419. Assessments against insurers; dedications

A.(1) ~~It shall be the duty of the commission to determine an amount sufficient to enable it to pay the expenses of its organization and operation, and the salaries and expenses of its members and employees, and to pay any other expenses which may be necessary in the conduct of its business and for the enforcement of the provisions of this Part. Sufficient funds in the amount so determined by the commission shall be provided by all insurers doing business in this state and subject to this Part, by the payment of an assessment to be levied against them by the commission in proportion to their gross direct premiums received in this state in the preceding year, less returned premiums. No such assessment shall exceed one percent of such premiums.~~

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B. ~~Any general expense of the commission not allocable to a particular division of the commission shall be charged to the several divisions of the commission on the percentage which the premiums developed from the rates regulated by each of such subdivisions bears to the total premiums developed from all rates regulated by this part. The expenses of each division of the commission, including its share of the general expense of the commission, shall be met by an annual assessment on each insurer subject to this part on the direct premiums, less return premiums, developed by it from the rates subject to regulation by each such division. The amount of such assessment shall~~

be determined by the commission, but no such assessment shall exceed one percent of such premiums.

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§1422. Right to employ attorney

In the event ~~any division~~ of the commission or the office of property and casualty deems it necessary to take any legal step or to file any suit or other proceedings to carry out the provisions of this Part, it shall have the right to employ an attorney for said purpose, provided the fees to be paid said attorney shall be approved by the attorney general. It shall be the duty of the attorney general to render advice to ~~each division,~~ and the commission and the office of property and casualty upon request.

Section 2. R.S. 22:1401(G) and (H), 1406(C) and (D)(7), 1407(J) and (L), 1417.1, and 1420 are hereby repealed in their entirety.

Section 3. The Louisiana State Law Institute is hereby authorized and requested to redesignate R.S. 22:1405.1 as R.S. 22:635.3, R.S. 22:1406(D) as R.S. 22:680 and entitle it as "Uninsured motorist coverage", and R.S. 22:1406(F) as R.S. 22:681 and entitle it as "Coverage of temporary, substitute, and rental vehicles".

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____