FOR IMMEDIATE RELEASE

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Donelon Issues Emergency Rule 40 - Moratorium on Policy Cancellations/Non-Renewals for Louisiana Policyholders

Commissioner Jim Donelon issued Emergency Rule 40 to address the statewide public health emergency declared by Governor John Bel Edwards for the state of Louisiana as a result of the imminent threat posed to Louisiana citizens by COVID-19.

“The ongoing impact of the stay at home order has touched households and businesses throughout Louisiana and this order provides Louisiana policyholders a moratorium on policy cancellations and non-renewal by their insurers,” said Donelon. “However, I do want to stress that nothing in this order absolves consumers or businesses of their ultimate responsibility for payment of premiums.”

Emergency Rule 40 in summary:

- Defines the insurance carriers and the kinds of insurance coverage governed by this order as well as the Louisiana policyholders entitled to the benefits and protections of this rule.
- Suspends cancellation, non-renewal and non-reinstatement by insurers, or premium finance companies acting on behalf of insurers retroactively to the start of this emergency period. Additionally, this rule clarifies that no policy can be canceled or non-renewed because of a claim that is filed during this emergency.
- Policies may continue to be canceled for fraud and material misrepresentation or upon written request by the consumer.
- Insureds remain obligated to pay all premiums. Any property and casualty claim during this period are subject to a premium offset prior to payment. Health and accident claims related to a delinquent policy may be pended during the moratorium and will be paid in accordance with procedures established therein.
- Emergency Rule 40 does not apply to new policies issued after the effective date of the rule.

The full text of Emergency Rule 40 can be found here.

About the Louisiana Department of Insurance: The Louisiana Department of Insurance works to improve competition in the state's insurance market while assisting individuals and businesses with the information and resources they need to be informed consumers of insurance. As a regulator, the LDI enforces the laws that provide a fair and stable marketplace and makes certain that insurers comply with the laws in place to protect policyholders. You can contact the LDI by calling 1-800-259-5300 or visiting www.ldi.la.gov.