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## DIGEST

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HB 561 Reengrossed

2025 Regular Session

Firment

**Abstract:** Provides for application of law and exceptions regarding arbitration clauses and their applicability to surplus lines insurers.

Present law (R.S. 9:2778) provides for public contracts involving the state or its political subdivisions and prohibits provisions requiring the application of foreign law, jurisdiction, or arbitration proceedings outside of La. Proposed law retains present law.

Present law (R.S. 22:433(A) and (B)(2)) requires that surplus lines insurance policies include a notice regarding the nonapplicability of certain protections under the La. Insurance Code, and further requires the notice to be printed in bold font of at least 10-point type.

Proposed law increases the minimum font size for the notice from 10-point to 14-point and clarifies in the notice that certain provisions of the La. Insurance Code do not apply to surplus lines insurers.

Present law (R.S. 22:868(A)) generally prohibits insurance contracts that deprive courts in the state of La. of the jurisdiction or venue of action against an insurer.

Proposed law exempts surplus lines insurers from the provisions of present law but retains the applicability of R.S. 9:2778 to surplus lines insurers.

Proposed law expresses legislative intent through uncodified language to clarify existing law with respect to exceptions applicable to surplus lines insurers.

Provisions of present and proposed law (R.S. 22:433(A) and (B)(2)) become effective on Aug. 1, 2025, and apply to policies issued or renewed on or after Jan. 1, 2026.

Proposed law (R.S. 22:868(D)) becomes effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 22:433(A) and (B)(2) and 868(D))

### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Remove R.S. 9:2778(D), which exempted surplus lines insurers from the prohibition on

including arbitration clauses in public contracts.

2. Make technical changes.

The House Floor Amendments to the engrossed bill:

1. Reference present law (R.S. 9:2778) regarding disputes arising under public contracts and specify the applicability of present law to surplus lines insurers.