

2018 Regular Session

HOUSE BILL NO. 247

BY REPRESENTATIVE HUVAL

AN ACT

To amend and reenact R.S. 22:46(introductory paragraph), (17), and (17.1), 433(A), 438(A)(3), 446, 1542(introductory paragraph) and (18), and 1547(I), relative to surplus lines insurance; to define surplus lines insurance, surplus lines insurer, and surplus lines broker; to require the filing of forms and rates of surplus lines insurers in certain circumstances; to provide surplus lines broker licensure requirements; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:46(introductory paragraph), (17), and (17.1), 433(A), 438(A)(3), 446, 1542(introductory paragraph) and (18), and 1547(I) are hereby amended and reenacted to read as follows:

§46. General definitions

In this Code, unless the context otherwise requires, the following definitions ~~are applicable~~ apply:

* * *

(17) "Surplus lines insurance" means any property and casualty or health and accident insurance in this state on property, risk, or exposure located or to be performed in this state, permitted to be placed through a licensed surplus lines broker with a surplus lines insurer.

(17.1) "Surplus lines insurer" means an approved unauthorized insurer or eligible unauthorized insurer, as defined in this Section, or a domestic surplus lines

insurer as provided in R.S. 22:436.1. "Surplus lines insurer" shall not include a health maintenance organization.

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§433. Endorsement of contract

A. Each surplus lines insurance policy or contract procured and delivered ~~as surplus lines coverage~~ pursuant to this Subpart shall have the following notice:

NOTICE

This insurance policy is delivered as surplus lines coverage under the Louisiana Insurance Code.

In the event of insolvency of the company issuing this contract, the policyholder or claimant is not covered by the Louisiana Insurance Guaranty Association or the Louisiana Life and Health Insurance Guaranty Association, which guarantees only specific types of policies issued by insurance companies authorized to do business in Louisiana.

This surplus lines policy has been procured by the following licensed Louisiana surplus lines broker:

**Signature of Licensed Louisiana Surplus Lines Broker
or Authorized Representative**

Printed Name of Licensed Louisiana Surplus Lines Broker

* * *

§438. Acknowledgment of applicant for insurance

A. Any licensed surplus lines broker that procures a personal lines policy with a surplus lines insurer shall obtain from the applicant for insurance no later than the date of binding coverage, an acknowledgment on a standardized form promulgated by the commissioner of insurance which shall be maintained by the licensed surplus lines broker. The acknowledgment shall verify that:

* * *

(3) In the event of insolvency of the insurer, losses shall not be paid by the Louisiana Insurance Guaranty Association or the Louisiana Life and Health Insurance Guaranty Association.

* * *

§446. Surplus lines insurance; exemption from form and rate filing and approval
~~Surplus lines insurers shall not be required to file or seek approval of their forms and rates.~~

A. The commissioner shall not require surplus lines insurers to file or seek approval of their forms and rates for property and casualty insurance except as provided in R.S. 22:1456(B)(2) relative to public carrier vehicles.

B. The commissioner may require surplus lines insurers to file their forms and rates for health and accident insurance, other than health stop loss and limited benefit policies, when necessary to comply with federal laws or regulations.

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§1542. Definitions

As used in this Subpart, unless the context requires otherwise, the following definitions ~~shall be applicable~~ apply:

* * *

(18) "Surplus lines broker" shall mean an insurance producer who solicits, negotiates, or procures a ~~property and casualty policy with an insurance company not licensed to transact business in the state which cannot be procured from insurers licensed to do business in this state.~~ a surplus lines insurer. All transactions entered into under such license shall be subject to R.S. 22:431 et seq.

* * *

§1547. License

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I. Any licensed property and casualty or health and accident insurance producer maintaining an office at a designated location in this state and having at least two years experience in the insurance business with an insurer or as an insurance producer may be licensed as a surplus lines broker as follows:

1 (1) The applicant ~~must~~ shall submit an application to the commissioner ~~of~~
2 ~~insurance~~ for the license on forms approved by the commissioner.

3 (2) The applicant ~~must~~ shall submit the required license fee, as authorized
4 by R.S. 22:821, for each license year during any part of which the license is in effect.
5 The license shall remain in force until the biannual renewal date.

6 (3) The applicant shall pass an examination approved by the commissioner
7 ~~of insurance~~.

8 * * *

9 Section 2. This Act shall become effective on January 1, 2019.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____