
DIGEST

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HB 1 Original

2023 First Extraordinary Session

Zeringue

Abstract: Transfers \$45 M from the State General Fund into the Insure La. Incentive Fund and appropriates the funding, with certain restrictions and reporting requirements, to the Dept. of Insurance for implementation and execution of the Insure La. Incentive Program.

Proposed law directs the state treasurer to transfer \$45 M from the state general fund into the Insure La. Incentive Fund.

Proposed law appropriates \$45 M of budget authority to the Dept. of Insurance out of the Insure La. Incentive Fund for implementation and execution of the Insure La. Incentive Program. Requires that funds be used to award grants only to insurers licensed in Louisiana possessing a minimum financial strength rating of AM Best "B+" or a Demotech financial stability rating of "A". Further requires that at least fifty percent of such funds be used to award grants to companies with a minimum financial strength rating of AM Best "B+". Provides that if an insurer applies for a grant prior to obtaining a license to write policies in Louisiana, such insurer shall have a minimum financial strength rating of AM Best "A".

Further requires the commissioner to expedite to the greatest extent possible the approval of certificates of authority, rate filings, form filings, and other necessary regulatory approvals of qualified insurers to facilitate the underwriting of new policies pursuant to the program as quickly as possible and to monitor the financial solvency of insurers that are issued a grant pursuant to the program. Provides such monitoring shall include an evaluation of the adequacy of insurer reinsurance programs using catastrophe model stress tests against the insurer's book of business. Requires the commissioner to take whatever action is necessary to ensure that insurers receiving grants pursuant to the program remain financially solvent.

Additionally requires that the Dept. of Insurance submit annual and quarterly reports on the program to the House Committee on Appropriations, the Senate Committee on Finance, and the House and Senate committees on insurance detailing the amount of premiums written by parish pursuant to the program; the amount of premiums by parish for property located in the parishes included in the federal Gulf Opportunity Zone Act of 2005; the amount of premiums by parish removed from the Louisiana Citizens Property Insurance Corporation; and the total amount of premiums by parish, inclusive of premiums written pursuant to the program.

Effective upon signature of the governor or lapse of time for gubernatorial action.