The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Carla S. Roberts.

DIGEST

SB 67 Original | 2023 Regular Session | Robert Mills

Present law authorizes the creation of self-insurance funds for the purpose of providing auto coverage for vehicles that transport timber and agriculture products. Present law provides that any five or more Louisiana timber or agriculture companies may pool their liabilities and self-insure for the purposes of maintaining automobile coverage for timber and agriculture transportation vehicles so long as they each have a positive net worth, are members of a bona fide trade or professional association, and meet and maintain certain financial requirements.

Present law provides that no fund can become operative until the fund is issued a certificate of authority by the Dept. of Insurance after the department has approved the application for the fund based upon documents required to establish solvency and the ability to properly manage and pay claims.

Present law requires security in the form of excess insurance or reinsurance in an amount and in a form that is approved by the Dept. of Insurance to provide financial stability and ensure the ability of the fund to properly manage and pay claims. Present law also provides that, in order to further maintain the financial stability of the fund, the Dept. of Insurance is to require that two or more timber or agriculture companies maintain a combined net worth of $1,000,000 or five or more principals of the member companies to maintain a combined net worth of $1,000,000. Present law further provides that financial statements that are audited by a certified public accountant and are not more than one year old is to be submitted to the department to verify the combined net worth of the members of the fund.

Proposed law retains present law but provides that, in lieu of an audited financial statement, the Dept. of Insurance is authorized to require that the fund submit necessary financial documents in a form and in a manner approved by the department to verify the combined net worth of those members or principals in amounts that are required in present law.

Proposed law directs the La. State Law Institute to make technical changes related to the name of the fund and change any references in present law to the fund from plural to singular.

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

(Amends R.S. 3:4351.2(B)(1))