

GREEN SHEET REDIGEST

HB 334

2023 Regular Session

Phelps

FINANCIAL INSTITUTIONS. Provides relative to private insurance for certain deposits and shares.

DIGEST

Present law requires a credit union to carry insurance in order to secure loans.

Proposed law retains present law.

Present law allows the requisite insurance to be provided by federal and state insurance providers.

Proposed law still allows for federal and state insurance but also allows certain financial institutions to use private sector insurance to secure these transactions.

Present law limits the maximum allowable amount of certain investments to the sum of the amount insured by the National Credit Union Administration and the amount insured by any other deposit insurance corporation in any one chartered credit union but allows an excess to the extent the excess is collateralized in accordance with present law.

Proposed law allows private-sector insurance held by a credit union to be added to the amount provided in present law in order to determine the limit on investment.

Proposed law allows the coverage amount held by the credit union to serve in lieu of collateralization pursuant to present law and removes the allowance for excess to be collateralized pursuant to present law.

Present law provides that local and state depositing authorities shall require an insurance company that is listed by the U.S. Dept. of the Treasury as an approved surety to secure deposits.

Proposed law retains present law and adds that local and state depositing authorities shall also require a private deposit insurance underwritten by an insurer licensed to do business in the state.

Proposed law makes technical changes.

Effective July 1, 2023.

(Amends R.S. 6:652.2(A)(2) and 656(A)(1)(introductory paragraph) and (c), R.S. 39:1221(A)(6), and R.S. 49:321(A)(4))

Summary of Amendments Adopted by House

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

1. Make technical changes.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the engrossed bill

1. Removes statutory reference for proposed law that would allow credit unions to serve as a fiscal agent.