

2026 Regular Session

SENATE BILL NO. 509

BY SENATOR CLOUD

INSURANCE DEPARTMENT. Provides relative to bank-owned life insurance. (8/1/26)

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AN ACT

To enact R.S. 22:920, relative to bank-owned life insurance; to provide for an insurable interest; to provide for the exchange of bank-owned life insurance policies; to provide for definitions; to provide for consent to the exchange; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:920 is hereby enacted to read as follows:

§920. Exchange of bank-owned life insurance

A. For purposes of this Section, "bank-owned life insurance" means life insurance purchased by a bank on the life of a bank employee for either of the following reasons:

(1) To provide an endorsement split dollar death benefit to the insured's beneficiary.

(2) To offset the cost of an employee's benefit plan.

B.(1)(a) A bank-owned life insurance policy insuring a former employee of the bank may be exchanged for another bank-owned life insurance policy of the same type and death benefit amount.

