

Regular Session, 2008

SENATE BILL NO. 240

BY SENATOR CRAVINS

INSURERS. Provide for the limitation of liability of the Louisiana Insurance Guaranty Association. (8/15/08)

1 AN ACT

2 To amend and reenact R.S. 22:1382(A)(1)(a) relative to the Louisiana Insurance Guaranty
3 Association; to provide for the limits of liability of the association; and to provide
4 for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 22:1382(A)(1)(a) is hereby amended and reenacted to read as
7 follows:

8 §1382. Powers and duties of the association

9 A. The association shall:

10 (1)(a) Be obliged to the extent of the covered claims existing prior to the
11 determination of the insurer's insolvency, or upon order of the court as provided in
12 R.S. 22:735, or arising after such determination but prior to the first to occur of the
13 following events:

14 (i) Expiration of thirty days after the date of such determination of
15 insolvency,

16 (ii) Expiration of the policy, or

17 (iii) Replacement or cancellation of the policy at the instance of the insured

1 if he does so within thirty days of the determination, but such obligation shall include
 2 only that amount of each covered claim, except return premiums, which is in excess
 3 of one hundred dollars and is less than ~~one hundred fifty~~ **three hundred** thousand
 4 dollars, per claim, subject to a maximum limit of ~~three~~ **six** hundred thousand dollars
 5 per accident or occurrence, nor shall a claim for the portion of unearned premiums
 6 in excess of ten thousand dollars be allowed.

* * *

8 Section 2. The provisions of this Act shall apply prospectively only and to covered
 9 claims which arise out of a liquidation proceeding which is commenced on or after August
 10 15, 2008.

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Cheryl Horne.

DIGEST

Cravins (SB 240)

Proposed law changes the limits of liability of the Louisiana Insurance Guaranty Association from \$150,000 to \$300,000 per claim subject to the maximum limit of \$600,000 rather than \$300,000 per accident or occurrence.

Effective August 15, 2008.

(Amends R.S. 22:1382(A)(1)(a))