
DIGEST

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Lorusso

HB No. 227

Abstract: Changes membership and operation requirements for Property Insurance Association of Louisiana.

Present law requires that board members of the Property Insurance Association of Louisiana be Louisiana residents.

Proposed law deletes this requirement.

Present law requires that nine members of the Property Insurance Association of Louisiana be elected by the membership of the association, with these nine members consisting of properly apportioned stock and non-stock members, based upon the ratio of net fire insurance premiums in the year preceding the election of such members.

Proposed law changes present law to require that the nine member-elected members of the board simply consist of stock and non-stock members, with consideration given to their direct fire insurance premiums, less returned premiums, for the most recent calendar year.

Present law requires the main office of the Property Insurance Association of Louisiana to be located in the city of New Orleans.

Proposed law allows the main office of the Property Insurance Association of Louisiana to be located anywhere in the state of Louisiana.

Present law lists one of the powers of the Property Insurance Association of Louisiana as the right to audit, on special call by the association, policies written by member companies in compliance with filings made in accordance with present law.

Proposed law removes this power from the enumerated list of the association's powers and duties.

Present law requires the association to refuse to continue furnishing its services to member-insurers that become delinquent in the payment of such member's lawful portion of fees and expenses. Further requires the association to suspend or revoke the license of the delinquent member insurer.

Proposed law changes the requirement in present law to an option that the association may make

upon its own discretion.

(Amends R.S. 22:1460(B)(2)(intro. para.) and (h), (3), and (E); Repeals R.S. 22:1460(D)(3))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Insurance to the original bill.

1. Made technical changes.