

SENATE BILL NO. 120

BY SENATORS WALSWORTH AND THOMPSON AND REPRESENTATIVE JAY MORRIS

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

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AN ACT

To amend and reenact R.S. 22:550.17(C), relative to captive insurers; to allow the commissioner of insurance to grant reinsurance credits to captive insurers under certain conditions; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:550.17(C) is hereby amended and reenacted to read as follows:

§550.17. Reinsurance; credit for reserves on risks or portions of risks in certain circumstances; plan for workers' compensation deemed reinsurance in certain circumstances

\* \* \*

C. ~~The~~ **Subject to the approval of the** commissioner, ~~may authorize~~ a captive insurer ~~to~~ **may** take credit for reserves on risks or portions of risks ceded ~~to~~ **a reinsurer, or** to a pool, an exchange, ~~or an association acting as a reinsurer,~~ **that does not comply with the requirements of Subsection B of this Section.** The commissioner may require such documents, financial information or other evidence as he determines necessary to show that ~~the~~ **such reinsurer,** pool, exchange, ~~or~~ association will be able to provide adequate security for its financial obligations. The commissioner may deny authorization or impose any limitations on the activities of ~~a reinsurance~~ **such reinsurer,** pool, exchange, ~~or~~ association that, in his judgment, are necessary and proper to provide adequate security for the ceding captive insurer and for the protection and benefit of the general public.

1           Section 2. This Act shall become effective upon signature by the governor or, if not  
2 signed by the governor, upon expiration of the time for bills to become law without signature  
3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
4 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
5 effective on the day following such approval.

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_