

2015 Regular Session

HOUSE BILL NO. 214

BY REPRESENTATIVE PIERRE

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

INSURANCE/SURPLUS LINE: Provides relative to the creation of domestic surplus lines insurers

1 AN ACT

2 To amend and reenact R.S. 22:46(introductory paragraph) and (17), 432, 434,
3 438(A)(introductory paragraph) and (2) and (B), 446, 1456(B)(2), and 1661(6) and
4 to enact R.S. 22:46(17.1), 435(B)(3), and 436.1, relative to the creation of domestic
5 surplus line insurers; to provide for the creation of domestic surplus lines insurers;
6 to provide for definitions; to provide for regulation of domestic surplus lines insurers
7 by the commissioner of insurance; to provide for exemptions from form and rate
8 filing for domestic surplus lines insurers; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 22:46(introductory paragraph) and (17), 432, 434,
11 438(A)(introductory paragraph) and (2) and (B), 446, 1456(B)(2), and 1661(6) are hereby
12 amended and reenacted and R.S. 22:46(17.1), 435(B)(3), and 436.1 are hereby enacted to
13 read as follows:

14 §46. General definitions

15 In this Code, unless the context otherwise requires, the following definitions
16 ~~shall be~~ are applicable:

17 * * *

18 (17) "Surplus lines insurance" means any property and casualty insurance
19 in this state on property, risk, or exposure located or to be performed in this state,
20 permitted to be placed through a licensed surplus lines broker with ~~an approved~~
21 ~~unauthorized insurer or eligible unauthorized~~ a surplus lines insurer.

1 authorizing resolution of the board of directors and evidence to the commissioner's
2 satisfaction that the insurer has capital and surplus of not less than fifteen million
3 dollars.

4 B. A domestic surplus lines insurer shall:

5 (1) Be limited in its authority in this state to providing surplus lines
6 insurance.

7 (2) Be subject to the requirements of this Title applicable to a domestic
8 insurer except as otherwise provided for surplus lines insurance.

9 (3) Be exempt from the Louisiana Insurance Guaranty Association Law.

10 (4) Report to the commissioner all surplus lines business placed in this state
11 in the manner required of an approved unauthorized insurer.

12 C. A domestic surplus lines insurer may write insurance in other
13 jurisdictions.

14 * * *

15 §438. Acknowledgment of applicant for insurance

16 A. Any licensed surplus lines broker that procures a personal lines policy
17 with ~~an approved unauthorized insurer or eligible unauthorized~~ a surplus lines
18 insurer shall obtain from the applicant for insurance no later than the date of binding
19 coverage, an acknowledgment on a standardized form promulgated by the
20 commissioner of insurance which shall be maintained by the licensed surplus lines
21 broker. The acknowledgment shall verify that:

22 * * *

23 (2) The insurance may be placed with ~~an approved unauthorized insurer or~~
24 ~~eligible unauthorized~~ a surplus lines insurer.

25 * * *

26 B. As long as the personal lines policy continues to be renewed by the same
27 ~~approved unauthorized insurer or eligible unauthorized~~ surplus lines insurer, there
28 shall not be a need for new acknowledgments at each renewal. At renewal, if the
29 personal lines policy is placed with a different ~~approved unauthorized insurer or~~

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 214 Original

2015 Regular Session

Pierre

Abstract: Provides for the creation of a new category of "domestic surplus lines insurer".
A domestic surplus lines insurer shall be domiciled and sell surplus lines insurance in La.

Present law requires that insurers selling surplus lines insurance be unauthorized insurers that meet the requirements of present law (R.S. 22:435), and can neither be domiciled in nor hold a certificate of authority from the state of La.

Proposed law provides that a domestic insurer, by a resolution of its board of directors and with the written approval of the commissioner, may sell surplus lines insurance in La, as approved or eligible unauthorized insurers do under present law. Proposed law further provides that a domestic surplus lines insurer would be limited to the sale in La of surplus lines insurance.

Proposed law provides that a domestic surplus lines insurer will be subject to the surplus lines premium tax, but would be exempt from the requirements of rate and form filing and approval, and also exempt from the requirements and protections of the La Insurance Guaranty Association Law.

Proposed law removes references to "approved unauthorized insurers" and adds a third category of domestic surplus lines insurer that constitutes "surplus lines insurers".

(Amends R.S. 22:46(intro. para.) and (17), 432, 434, 438(A)(intro. para.) and (2) and (B), 446, 1456(B)(2), and 1661(6); Adds R.S. 22:46(17.1), 435(B)(3), and 436.1)