

RÉSUMÉ DIGEST

ACT 374 (HB 1126)

2016 Regular Session

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Existing law levies a tax on the gross premium for all surplus lines of insurance for which La. is the home state of the policyholder and provides for exemptions.

New law adds insurance purchased by state agencies to the list of policies exempted from the surplus lines tax.

Existing law provides for the La. Insurance Underwriting Plan (Coastal Plan) and the La. Joint Reinsurance Plan (FAIR Plan) as insurance programs of the La. Citizens Property Insurance Corporation and requires all assessable insurers to participate in assessments levied by the plans as a condition of authority to transact the business of insurance in La.

New law exempts the office of risk management as an assessable insured and prohibits any policy of property coverage purchased by the office from being subject to any regular or emergency assessment under existing law.

Existing law establishes the office of risk management within the division of administration.

New law clarifies that the office, the Self-Insurance Fund, and commercial coverage transactions by the office on behalf of the state are not subject to the provisions of the La. Insurance Code.

Effective July 1, 2016.

(Amends R.S. 22:439(D) and R.S. 39:1528; Adds R.S. 22:2301(F))