
DIGEST

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HB 818 Engrossed

2020 Regular Session

Zeringue

Abstract: Requires an insured to be evaluated individually to determine the insureds net worth.

Present law defines "high net worth insured" for the purposes of present law as an insured with a net worth greater than \$25 million on Dec. 31 of the year before the year the insurer becomes insolvent provided the insured's net worth on that date includes the aggregate net worth of the insured and all of its subsidiaries and affiliates as calculated on a consolidated basis.

Present law requires the consolidated net worth to be calculated based on fair market value.

Present law prohibits members of a group self-insurance fund from being deemed affiliates of the fund and from being included in the determination of the fund's net worth.

Present law requires a group self-insurance fund and the individual members of the fund who have claims submitted on their behalf to be deemed policyholders or named insureds of any policy issued to the fund.

Proposed law retains present law, but adds that for the purposes of present law each named insured is required to be evaluated individually to determine if the insured is a high net worth insured.

Proposed law also adds that an individual named insured under a group policy who is determined to be a high net worth insured does not render the entire group policy excluded under present law.

(Amends R.S. 22:2061.1(A))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Make technical changes.