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## DIGEST

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HB 462 Engrossed

2021 Regular Session

Huval

**Abstract:** Provides relative to the tax on surplus lines and unauthorized insurance and reporting requirements.

Present law imposes a tax of four and eighty-five one hundredths of one percent per annum on the gross premium of surplus lines of insurance for La. home state policyholders.

Proposed law expands the imposition of the tax in present law to insurance placed through and directly by La. licensed surplus lines brokers and unauthorized insurers regardless of the covered property, risk, or exposure.

Present law exempts surplus line brokers who are not in possession of any surplus lines from the quarterly surplus line reporting requirement.

Proposed law retains present law and requires surplus line brokers to not have other unauthorized insurance premiums to report to be exempted from the quarterly surplus line reporting requirement.

Present law provides that every person placing insurance without a licensed La. producer or surplus lines broker shall transmit a report and remit the tax to the commissioner.

Proposed law repeals present law and provides that each policyholder directly placing insurance shall transmit a direct placement tax report to the commissioner and remit the tax payable within 30 days.

Proposed law provides that the commissioner shall prescribe the manner and form of the direct placement tax report.

Present law provides that after the lapse of 30 days, until the report is filed and the delinquent tax paid, the commissioner may revoke the license of the delinquent surplus lines broker to do business in this state.

Proposed law retains present law and affords the commissioner discretion to suspend or revoke the license of the delinquent surplus lines broker.

Proposed law makes technical changes.

Effective July 1, 2021.

(Amends R.S. 22:439(A)(1),(2)(intro. para.), and (3) and (B) and 440; Adds R.S. 22:439(E))