
DIGEST

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HB 866 Engrossed

2022 Regular Session

Frieman

Abstract: Provides for minimum capital and surplus requirements for certain domestic insurers.

Proposed law provides that domestic stock insurers authorized to transact homeowners' insurance or fire and allied lines prior to Sept. 1, 1989, shall have paid-in capital, minimum surplus, and operating surplus totaling at least \$5,000,000 by Dec. 31, 2026, and totaling at least \$10,000,000 by Dec. 31, 2031.

Proposed law provides that domestic stock insurers authorized to transact homeowners' insurance or fire and allied lines after Sept. 1, 1989, shall have paid-in capital, minimum surplus, and operating surplus totaling at least \$5,000,000 by Dec. 31, 2026, and totaling \$10,000,000 by Dec. 31, 2031.

Proposed law provides that domestic stock insurers who apply for a certificate of authority after Sept. 1, 2022, which includes homeowners' insurance or fire and allied lines, shall have paid-in capital, minimum surplus, operating surplus of \$10,000,000.

Proposed law provides that domestic mutual insurers authorized to transact homeowners' insurance or fire and allied lines prior to Sept. 1, 1989, shall have initial minimum surplus and operating surplus totaling at least \$5,000,000 by Dec. 31, 2026, and totaling \$10,000,000 by Dec. 31, 2031.

Proposed law provides that domestic mutual insurers authorized to transact homeowners' insurance or fire and allied lines after Sept. 1, 1989, shall have initial minimum surplus and operating surplus totaling at least \$5,000,000 by Dec. 31, 2026, and totaling at least \$10,000,000 by Dec. 31, 2031.

Proposed law provides that domestic mutual insurers who apply for a certificate of authority after Sept. 1, 2022, which includes homeowners' insurance or fire and allied lines, shall have initial minimum surplus and operating surplus totaling at least \$5,000,000 by December 31, 2026 and have at least \$10,000,000 of minimum surplus and operating surplus by December 31, 2031.

Present law requires that insurers already organized and qualified under state law as of July 27, 1966, continue to have the same underwriting powers as possessed on July 27, 1966, provided they increase the surplus requirements to the minimum amounts set forth in law on or before Aug. 1, 1967.

Proposed law repeals present law and provides that domestic reciprocal insurers authorized to transact homeowners' insurance or fire and allied lines after Aug. 1, 1967, shall have initial minimum surplus of at least \$5,000,000 by Dec. 31, 2026, and at least \$10,000,000 by Dec. 31, 2031.

Proposed law provides that domestic reciprocal insurers who apply for a certificate of authority after Sept. 1, 2022, which includes homeowners' insurance or fire and allied lines, shall have an initial minimum surplus of at least \$10,000,000.

Effective Jan. 1, 2023.

(Amends R.S. 22:165(B); Adds R.S. 22:81(D), 82(D) and (E), 111(D), 112(D) and (E), and 165(C))

Summary of Amendments Adopted by House

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

1. Provide that domestic mutual insurers who apply for a certificate of authority after Sept. 1, 2022, which includes homeowners' insurance or fire and allied lines, shall have initial minimum surplus and operating surplus totaling at least \$5,000,000 by December 31, 2026 and have at least \$10,000,000 of minimum surplus and operating surplus by December 31, 2031.
2. Add a special effective date of January 1, 2023