

2022 Regular Session

HOUSE BILL NO. 1005

BY REPRESENTATIVES LARVADAIN, COX, JORDAN, AND PHELPS

INSURERS: Provides for surety insurance

1 AN ACT

2 To amend and reenact R.S. 22:47(14) and (18), relative to surety insurance; to repeal a  
3 prohibition against private deposit insurance in excess of that provided by certain  
4 insurers; to provide for excess share insurance; to reclassify certain forms of surety  
5 insurance; to provide for licensure; to provide for effectiveness; and to provide for  
6 related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:47(14) and (18) are hereby amended and reenacted to read as  
9 follows:

10 §47. Kinds of insurance

11 Insurance shall be classified as follows:

12 \* \* \*

13 (14) Miscellaneous. Any other kind of loss, damage, or liability properly the  
14 subject of insurance and not within any other kind or kinds of insurance as defined  
15 in this Section, if such insurance is not contrary to law or public policy. However,  
16 no person or insurer may offer primary deposit insurance, except the Federal Deposit  
17 Insurance Corporation or National Credit Union Administration, or any similar  
18 insurance corporation hereinafter created by the Congress of the United States or the  
19 legislature of any state for deposits in banks, savings and loan associations, savings  
20 banks, credit unions, finance operations, or similar institutions. Notwithstanding the



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**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)]

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HB 1005 Engrossed

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Larvadain

**Abstract:** Provides for surety insurance and repeals provisions against insurance of certain deposits.

Present law provides that surety insurance is a contract whereby one becomes a surety or guarantor for the performance of any person of any lawful obligation, undertaking, agreement, or contract of any kind, except contracts or policies of insurance; or guaranteeing against loss or damage resulting from failure of debtors to pay their obligations to the insured; and underwriting blanket bonds.

Proposed law retain present law.

Present law provides that no insurer, except the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), or any similar insurance corporation hereinafter created by the Congress of the United States or the legislature of any state shall insure deposits in banks, savings and loan associations, credit unions, finance operations, or similar institutions.

Proposed law repeals present law and prohibits persons and insurers from offering primary deposit insurance, except the FDIC or the NCUA, or any similar insurance corporation hereinafter created by the Congress of the United States or the legislature of any state for deposits in banks, savings and loan associations, savings banks, credit unions, finance operations, or similar institutions.

Proposed law provides that an insurance corporation may be licensed to offer excess shares insurance to provide coverage for an amount above the amount insured by the NCUA, and if licensed, may offer such coverage.

Proposed law provides that an insurance corporation may be licensed to offer excess deposit insurance to provide coverage for an amount above the amount insured by the FDIC, and if licensed, may offer such coverage.

Effective upon signature of the governor.

(Amends R.S. 22:47(14) and (18))

Summary of Amendments Adopted by House

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

1. Make technical changes.
2. Prohibit persons and insurers from offering primary deposit insurance, except the FDIC or the NCUA, for deposits in banks, savings and loan associations, savings banks, credit unions, finance operations, or similar institutions.
3. Provide that an insurance corporation may be licensed to offer excess shares insurance to provide coverage for an amount above the amount insured by the NCUA, and if licensed, may offer such coverage.

4. Provide that an insurance corporation may be licensed to offer excess deposit insurance to provide coverage for an amount above the amount insured by the FDIC, and if licensed, may offer such coverage.
5. Change the effective date from the default effective date to upon signature of the governor.