
DIGEST

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HB 1005 Engrossed

2022 Regular Session

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.