
DIGEST

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HB 511 Original

2023 Regular Session

Illg

Abstract: Provides relative to the Louisiana Insurance Guaranty Association.

Present law provides definitions, including the definition for "covered claim".

Proposed law redefines what a "covered claim" does not include. Proposed law otherwise retains present law.

Present law creates the Louisiana Insurance Guaranty Association (LIGA).

Present law provides that the all members insurers shall be and remain members of LIGA as a condition of their authority to transact insurance in this state. Proposed law further provides that LIGA shall perform its functions under a plan of operation established and approved under present law and shall exercise its powers through a board of directors.

Proposed law retains present law.

Present law provides that LIGA may hold an executive session to discuss matters as provided for in present law.

Proposed law makes technical changes. Proposed law otherwise retains present law.

Present law provides the powers and duties that are required of LIGA.

Proposed law makes technical changes. Proposed law otherwise retains present law.

Proposed law provides that LIGA shall pay to the claimant an amount which is in excess of \$100 and is less than \$500,000, per claim, subject to a maximum limit of \$500,000 per accident or occurrence for all other covered claims.

Proposed law provides for a minimum amount of \$101 per accident or occurrence for all other covered claims. Proposed law otherwise retains present law.

Present law allows LIGA to refund member insurers in proportion to the contribution of each member insurer an amount by which the assets of LIGA exceed the liabilities, if, at the end of any calendar year, the board finds that the assets exceed the liabilities as estimated by the board for the coming year.

Proposed law allows LIGA to refund member insurers in proportion to the contribution of each member insurer an amount by which the assets of LIGA exceed the liabilities, if, at the end of any calendar year, the board finds that the assets exceed the liabilities as estimated by the board.

Present law provides that the consolidated net worth of the insured and all of its affiliates shall be calculated on the basis of their fair market values. Present law further provides that the members of a group self-insurance fund shall not be deemed to be affiliates of the fund, and shall not be included in the determination of the net worth of the fund.

Proposed law retains present law.

Present law requires LIGA to establish reasonable procedures, subject to the approval of the commissioner, for requesting financial information from insureds.

Proposed law makes technical changes. Proposed law otherwise retains present law.

Present law provides that the financial information may be shared with any other association similar to LIGA and the liquidator for the insolvent insurer on the same confidential basis.

Proposed law retains present law and further provides that the financial information provided by the insured is not subject to discovery, subpoena, or other disclosure, unless LIGA and the high net worth insured are compelled to disclose such information by a valid and final court order.

Present law requires any person filing a claim against an insurer to exhaust all coverage provided by other policies.

Present law provides that the aforementioned requirement to exhaust all other policies shall apply without regard to whether or not the other insurance policy was written by a member insurer. Present law further provides that no person shall be required to exhaust any right under the policy of an insolvent insurer or any right under a life insurance policy or annuity.

Proposed law makes technical changes. Proposed law otherwise retains present law.

Present law provides that when a claimant alleges personal injury or death caused by exposure to asbestos fibers or other claim resulting from exposure to, release of, or contamination from any environmental pollutant or contaminant, any and all available insurance must be exhausted first before recovering from LIGA.

Proposed law makes technical changes. Proposed law otherwise retains present law.

Proposed law allows LIGA to conduct confidential discovery in order to determine whether other available insurance exists, any limits thereof, the amount of a claimant's recover, the efforts to exhaust any applicable limits, and whether its obligations to the claimant have been extinguished.

Present law provided that the provisions of present law (R.S. 22:2062(A)(2)) shall not apply to

uninsured or underinsured motorist policies.

Proposed law repeals present law.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S.22:2055(6)(b)(intro. para.) and (i), 2056(C)(2)(intro. para.), (c), and (d), 2058(A)(intro. para.), (1)(b)(iii) and (d), (3)(c), and (B)(intro. para.) and (6)(a), 2061.1(A), (B)(1), and (D), and 2062(A)(1),(2), and (6); Adds R.S. 22:2056(C)(2)(g) and 2062(E); Repeals R.S. 22:2062(A)(2)(c))