

1 vehicle claims promptly and support the financial ability of the fund to satisfy its
2 obligations upon the establishment of the fund, including:

3 (1) Financial statements, dated not less than one year prior to the application,
4 audited by an independent certified public accountant, showing at the inception of
5 the fund a combined net worth of those members or principals of not less than the
6 amount required by Subsection A of this Section. **In lieu of an audited financial**
7 **statement, the department may require that the fund submit necessary financial**
8 **documents in a form and manner approved by the department to verify the**
9 **combined net worth of those members or principals as required in Subsection**
10 **A of this Section.**

11 * * *

12 Section 2. The Louisiana State Law Institute is hereby authorized and directed to
13 make the following changes:

14 A. Change the heading of Part IV-A of Chapter 28 of Title 3 of the Louisiana
15 Revised Statutes of 1950 from "Louisiana Timber and Agriculture Transportation
16 Group Self-Insurance Funds" to "Louisiana Agriculture Transportation Group Self-
17 Insured Fund" to reflect the name of the fund in R.S. 3:4351.1(3).

18 B. In Part IV-A of Chapter 28 of Title 3 of the Louisiana Revised Statutes
19 of 1950, change any reference from "a fund" to "the fund" in order to indicate that
20 only one fund is authorized by this Part.

21 C. In R.S. 3:4351.6(A), change "R.S. 22:1571 et seq." to "R.S. 22:1541 et
22 seq."

23 Section 3. This Act shall become effective upon signature by the governor or, if not
24 signed by the governor, upon expiration of the time for bills to become law without signature
25 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
26 vetoed by the governor and subsequently approved by the legislature, this Act shall become
27 effective on the day following such approval.

The original instrument was prepared by Carla S. Roberts. The following digest, which does not constitute a part of the legislative instrument, was prepared by Dawn Romero Watson.

DIGEST

SB 67 Reengrossed

2023 Regular Session

Robert Mills

Present law authorizes the creation of self-insurance funds for the purpose of providing auto coverage for vehicles that transport timber and agriculture products. Present law provides that any five or more Louisiana timber or agriculture companies may pool their liabilities and self-insure for the purposes of maintaining automobile coverage for timber and agriculture transportation vehicles so long as they each have a positive net worth, are members of a bona fide trade or professional association, and meet and maintain certain financial requirements.

Present law provides that no fund can become operative until the fund is issued a certificate of authority by the Dept. of Insurance after the department has approved the application for the fund based upon documents required to establish solvency and the ability to properly manage and pay claims.

Present law requires security in the form of excess insurance or reinsurance in an amount and in a form that is approved by the Dept. of Insurance to provide financial stability and ensure the ability of the fund to properly manage and pay claims. Present law also provides that, in order to further maintain the financial stability of the fund, the Dept. of Insurance is to require that two or more timber or agriculture companies maintain a combined net worth of \$1,000,000 or five or more principals of the member companies to maintain a combined net worth of \$1,000,000. Present law further provides that financial statements that are audited by a certified public accountant and are not more than one year old is to be submitted to the department to verify the combined net worth of the members of the fund.

Proposed law retains present law but provides that, in lieu of an audited financial statement, the Dept. of Insurance is authorized to require that the fund submit necessary financial documents in a form and in a manner approved by the department to verify the combined net worth of those members or principals in amounts that are required in present law.

Proposed law directs the La. State Law Institute to make technical changes related to:

- (1) The name of the fund.
- (2) Correct references in present law to the fund from plural to singular.
- (3) Correct cross-reference in present law to insurance law on the licensure as a property and casualty producer.

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

(Amends R.S. 3:4351.2(B)(1))

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Adds authority for the Louisiana State Law Institute to correct cross reference in present law insurance statutes.