

## RÉSUMÉ DIGEST

**ACT 81 (HB 334)**

**2023 Regular Session**

**Phelps**

Existing law requires a credit union to carry insurance in order to secure loans.

Existing law allows the requisite insurance to be provided by federal and state insurance providers.

New law allows certain financial institutions to use private sector insurance in addition to insurance provided by federal and state insurance providers to secure these transactions.

Prior law limited the maximum allowable amount of certain investments to the sum of the amount insured by the National Credit Union Administration and the amount insured by any other deposit insurance corporation in any one chartered credit union but allowed an excess to the extent the excess is collateralized in accordance with existing law.

New law allows private sector insurance held by a credit union to be added to the amount provided in existing law in order to determine the limit on investment.

New law allows the coverage amount held by the credit union to serve in lieu of collateralization pursuant to existing law and removes the allowance for excess to be collateralized pursuant to existing law.

Existing law provides that local and state depositing authorities shall require an insurance company that is listed by the U.S. Dept. of the Treasury as an approved surety to secure deposits.

New law provides that local and state depositing authorities shall require existing law or a private deposit insurance underwritten by an insurer licensed to do business in the state.

New law makes technical changes.

Effective July 1, 2023.

(Amends R.S. 6:652.2(A)(2) and 656(A)(1)(intro. para.) and (c), R.S. 39:1221(A)(6), and R.S. 49:321(A)(4))