

GREEN SHEET REDIGEST

HB 904

2026 Regular Session

Bamburg

**INSURANCE: Establishes guidelines for the regulation of captive insurance companies and risk retention groups.**

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DIGEST

Present law provides for the regulation, formation, operation, and oversight of captive insurance companies and risk retention groups, including capital and surplus requirements, deposits, limitations on risk exposure, governance, annual reporting, rate filings, and premium taxes.

Proposed law authorizes the commissioner of insurance (commissioner) to waive certain requirements applicable to risk retention groups if the waiver does not violate accreditation standards of the National Association of Insurance Commissioners NAIC. Proposed law further authorizes the commissioner to promulgate rules necessary to implement proposed law and to comply with NAIC accreditation standards.

Proposed law expands the forms of capital that may be used to satisfy capital and surplus requirements and authorizes the commissioner to approve additional forms of capital or impose additional capital and surplus requirements based on the type, volume, and nature of the insurance business conducted by a captive insurance company or risk retention group.

Proposed law authorizes the commissioner to require captive insurance companies and risk retention groups to deposit money or specified securities to address financial solvency concerns and retains the present law deposit requirement for association captive insurance companies.

Proposed law grants the commissioner the authority, notwithstanding the general limitations established in proposed law, to permit a captive insurance company or risk retention group chartered and licensed in Louisiana to assume exposure to loss on a single risk in an amount not exceeding 30% of its capital and surplus.

Proposed law requires board members of risk retention groups chartered and licensed in La. to comply with NAIC corporate governance standards and revises present law to authorize captive insurance companies and risk retention groups to do business in the state regardless of whether an insurance company is directly or indirectly a member or owner.

Proposed law requires captive insurance companies and risk retention groups to file annual financial statements and amendments to their plans of operation and requires risk retention groups to use NAIC annual statement blanks, accounting practices and procedures, and governance standards.

Proposed law requires premium tax revenues collected under present law to be transferred annually to the department for regulation of captive insurance companies and authorizes the commissioner to withhold funds to defray regulatory and enforcement expenses.

Proposed law authorizes the commissioner to require captive insurance companies and risk retention groups to file rates for property and casualty insurance in accordance with present law and allows the use of rates 45 days after filing unless disapproved. Proposed law requires captive insurance companies to file rates for all other lines of insurance on an actuarially justified basis and authorizes the commissioner to disapprove rates that raise solvency concerns.

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

(Amends R.S. 22:550.4, 550.10(E) and (F), 550.11, 550.13(E), 550.20, 550.21(intro. para.) and (1), 550.23(H), and 550.24(A); adds R.S. 22:550.3(D), 550.14(B)(5), and 550.21(4))

Summary of Amendments Adopted by House

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

1. Make technical changes.

The House Floor Amendments to the engrossed bill:

1. Implement a provision that grants the commissioner the authority to permit a Louisiana-domiciled captive insurance company or risk retention group to assume a single risk exposure of up to thirty percent of its capital and surplus.
2. Remove redundant language from proposed law to maintain consistency with existing statutory format.
3. Clarify the commissioner's duties and responsibilities.
4. Make technical changes.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the reengrossed bill

1. Make technical changes.