

2026 Regular Session

HOUSE BILL NO. 904

BY REPRESENTATIVE BAMBURG

1 AN ACT

2

3 To amend and reenact R.S. 22:550.4, 550.10(E) and (F), 550.11, 550.13(E), 550.20,  
4 550.21(introductory paragraph) and (1), 550.23(H), and 550.24(A) and to enact R.S.  
5 22:550.3(D), 550.14(B)(5), and 550.21(4), relative to captive insurers; to provide for  
6 capital and surplus requirements; to require certain deposits; to prohibit insuring  
7 certain risks; to provide for the governance of a company; to provide for annual  
8 reporting requirements; to provide for the use of certain taxes; to provide for rate  
9 filings; to make technical changes; to provide for effectiveness; and to provide for  
10 related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 22:550.4, 550.10(E) and (F), 550.11, 550.13(E), 550.20,  
13 550.21(introductory paragraph) and (1), 550.23(H), and 550.24(A) are hereby amended and  
14 reenacted and R.S. 22:550.3(D), 550.14(B)(5), and 550.21(4) are hereby enacted to read as  
15 follows:

16 §550.3. Applicability of other provisions

17 \* \* \*

18 D. The commissioner may waive any requirements imposed in this Title for  
19 risk retention groups, unless the waiver would violate the accreditation requirements  
20 of the National Association of Insurance Commissioners.

1 §550.4. Regulations

2 The commissioner may promulgate rules and regulations in accordance with  
3 the Administrative Procedure Act as are necessary to implement and enforce the  
4 provisions of this Subpart and to comply with accreditation standards of the National  
5 Association of Insurance Commissioners applicable to risk retention groups  
6 chartered and licensed as a captive insurance company.

7 \* \* \*

8 §550.10. Capital and surplus requirements

9 \* \* \*

10 E. Except as otherwise provided by the commissioner pursuant to Subsection  
11 F of this Section, the capital required to be maintained pursuant to this Section shall  
12 be in the form of cash, cash equivalents, bonds, marketable securities, surplus  
13 debentures, letters of credit, a trust approved by the commissioner and pledged to the  
14 commissioner, ~~or~~ evidences of indebtedness which are direct general obligations of  
15 the government of the United States, or any other form of capital as approved by the  
16 commissioner.

17 F. The commissioner may prescribe ~~additional~~ other forms of capital or other  
18 requirements relating to capital and surplus based on the type, volume, and nature  
19 of the insurance business that is transacted by the captive insurance company or risk  
20 retention group chartered and licensed in this state.

21 §550.11. Deposit required of association captive insurers

22 A. Before receiving a certificate of authority, all association captive  
23 insurance companies shall deposit with the commissioner a safekeeping or trust  
24 receipt from a bank located in the state and doing business within the state or from  
25 a savings and loan association chartered to do business in this state indicating that  
26 the association captive insurance company has deposited one hundred thousand  
27 dollars in money or bonds of the United States, the state of Louisiana, or any  
28 political subdivision thereof, of the par value of not less than one hundred thousand  
29 dollars. All securities deposited pursuant to this Section shall be held in trust for the

1 benefit and protection of and as security for all policyholders of the association  
2 captive insurance company making the deposit.

3 B. The commissioner may require a captive insurance company or a risk  
4 retention group chartered and licensed in this state to deposit with the commissioner  
5 a safekeeping or trust receipt from a bank located in this state and doing business  
6 within this state or from a savings and loan association chartered to do business in  
7 this state indicating that the captive insurance company or risk retention group has  
8 deposited money or bonds of the United States, this state, or a political subdivision  
9 of this state in an amount determined by the commissioner to address any financial  
10 solvency concerns. All securities deposited pursuant to this Section shall be held in  
11 trust for the benefit and protection of, and as security for, the policyholders of the  
12 captive insurance company or risk retention group or to address financial solvency  
13 concerns of the captive insurance company or risk retention group.

14 \* \* \*

15 §550.13. Authorized and prohibited types of insurance

16 \* \* \*

17 E.(1) An association captive insurance company shall not expose itself to  
18 loss on any one risk in an amount which exceeds ten percent of the captive insurer's  
19 capital and surplus. A risk, or any portion thereof, which has been reinsured shall  
20 be deducted in determining the limitation of risk prescribed in this Section.

21 (2) Notwithstanding the provisions of Paragraph (1) of this Subsection, the  
22 commissioner may grant authorization to a captive insurance company or a risk  
23 retention group chartered and licensed in this state to expose itself to loss on a single  
24 risk in any amount up to thirty percent of the capital and surplus of the captive  
25 insurance company or risk retention group. A risk, or any portion thereof, which has  
26 been reinsured shall be deducted in determining the limitation of risk prescribed in  
27 this Section.

28 \* \* \*



1 Instructions Handbook adopted by the National Association of Insurance  
2 Commissioners, as applicable. Risk retention groups chartered and licensed in this  
3 state shall follow the accounting procedures and practices prescribed by the  
4 Accounting Practices and Procedures Manual adopted by the National Association  
5 of Insurance Commissioners, unless otherwise provided in law.

6 \* \* \*

7 (4) Risk retention groups chartered and licensed in this state are required to  
8 maintain governance standards that are substantially similar to the standards adopted  
9 by the National Association of Insurance Commissioners.

10 \* \* \*

11 §550.23. Taxes on premiums and assessments

12 \* \* \*

13 ~~H. The premium tax revenues collected pursuant to this Section shall be~~  
14 ~~transferred annually to the department for the regulation of captive insurance~~  
15 ~~companies pursuant to this Subpart. The commissioner may withhold the funds~~  
16 ~~collected pursuant to this Section to defray the expense of collecting taxes imposed~~  
17 ~~by this Section and the enforcement of this Subpart and for the operation of the~~  
18 ~~department.~~

19 \* \* \*

20 §550.24. Rates

21 A. Each captive insurance company and risk retention group chartered and  
22 licensed in this state may be required by the commissioner to ~~shall~~ file rates for  
23 property and casualty lines of insurance in accordance with Subpart O of Part IV of  
24 Chapter 4 of this Title, R.S. 22:1451 et seq. on an actuarially justified basis with the  
25 department. ~~and may use the rates forty-five days after filing, unless the department~~  
26 ~~disapproves the use of rates within the forty-five period.~~ For all other lines of  
27 insurance, captive insurance companies shall file rates on an actuarially justified  
28 basis with the department and may use the rates within the forty-five day period If  
29 the commissioner requires a captive insurance company or risk retention group

