
DIGEST

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HB 214 Engrossed

2015 Regular Session

Pierre

Abstract: Provides for the creation of a new category of "domestic surplus lines insurer". A domestic surplus lines insurer shall be domiciled and sell surplus lines insurance in La.

Present law requires that insurers selling surplus lines insurance be unauthorized insurers that meet the requirements of present law (R.S. 22:435), and can neither be domiciled in nor hold a certificate of authority from the state of La.

Proposed law provides that a domestic insurer, by a resolution of its board of directors and with the written approval of the commissioner, may sell surplus lines insurance in La., as approved or eligible unauthorized insurers do under present law. Proposed law further provides that a domestic surplus lines insurer would be limited to the sale in La. of surplus lines insurance.

Proposed law provides that a domestic surplus lines insurer will be subject to the surplus lines premium tax, but would be exempt from the requirements of rate and form filing and approval, and also exempt from the requirements and protections of the La. Insurance Guaranty Association Law.

Proposed law removes references to "approved unauthorized insurers" and adds a third category of domestic surplus lines insurer that constitutes "surplus lines insurers".

Proposed law provides that a domestic surplus lines insurer will be authorized to write any type of insurance in La. that may be placed with a surplus lines carrier.

Present law exempts unauthorized insurers writing surplus lines insurance in La. from certain taxes, ratemaking procedures, and LIGA. Proposed law extends the exemptions to domestic surplus lines insurers.

(Amends R.S. 22:46(intro. para.) and (17), 432, 434, 438(A)(intro. para.) and (2) and (B), 446, 1456(B)(2), and 1661(6); Adds R.S. 22:46(17.1), 435(B)(3), and 436.1)

Summary of Amendments Adopted by House

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

1. Authorize domestic surplus lines insurers to write any type of insurance in this state that may be placed with a surplus lines insurer.
2. Exempt domestic surplus lines insurers from provisions of the Insurance Code regarding property and casualty lines of insurance and from ratemaking procedures, other than for public carriers and assessments of insurers.
3. Make technical changes.