
DIGEST

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HB 1126 Engrossed

2016 Regular Session

Chad Brown

Abstract: Clarifies that the office of risk management, the Self-Insurance Fund, and certain commercial coverage for the state are not subject to the La. Insurance Code, surplus lines tax on insurance premiums, or the Coastal and FAIR plan assessments.

Present law levies a tax on the gross premium for all surplus lines of insurance for which La. is the home state of the policyholder and provides for exemptions.

Proposed law adds insurance purchased by state agencies to the list of policies exempted from the surplus lines tax.

Present law provides for the La. Insurance Underwriting Plan (Coastal Plan) and the La. Joint Reinsurance Plan (FAIR Plan) as insurance programs of the La. Citizens Property Insurance Corporation and requires all assessable insurers to participate in assessments levied by the plans as a condition of authority to transact the business of insurance in La.

Proposed law exempts the office of risk management as an assessable insured and prohibits any policy of property coverage purchased by the office from being subject to any regular or emergency assessment under present law.

Present law establishes the office of risk management within the division of administration.

Proposed law retains present law, but clarifies that the office, the Self-Insurance Fund, and commercial coverage transactions by the office on behalf of the state are not subject to the provisions of the La. Insurance Code.

Effective July 1, 2016.

(Amends R.S. 22:439(D) and R.S. 39:1528; Adds R.S. 22:2301(F))

Summary of Amendments Adopted by House

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

1. Add provision exempting insurance policies of state agencies from the surplus lines tax on insurance premiums.

2. Add a provision exempting the office of risk management as an assessable insured for purposes of paying the Coastal Plan and FAIR Plan assessments authorized through the La. Citizens Property Insurance Corporation.
3. Add an effective date of July 1, 2016.