

HOUSE SUMMARY OF SENATE AMENDMENTS

HB 214

2015 Regular Session

Pierre

INSURANCE/SURPLUS LINE: Provides relative to the creation of domestic surplus lines insurers

Synopsis of Senate Amendments

1. Require domestic surplus lines insurer pay, or make arrangements to pay, all outstanding fees and assessments before the commissioner approves its application.
2. Remove exemption of domestic surplus lines insurers from payment of R.S. 22:1476 assessments against insurers.
3. Allow domestic surplus lines insurer to write insurance in other jurisdictions with approval of commissioner.
4. Make technical changes.

Digest of Bill as Finally Passed by Senate

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.

Proposed law requires domestic surplus lines insurers to pay, or make arrangements to pay, all outstanding fees and assessments before the commissioner approves its application.

Proposed law allows domestic surplus lines insurers to write insurance in other jurisdictions with approval of the commissioner.

(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)