

SENATE SUMMARY OF HOUSE AMENDMENTS

SB 204 By Senator Morrish

KEYWORD AND SUMMARY AS RETURNED TO THE SENATE

INSURERS. Includes Louisiana Citizens Property Insurance Corporation among the entities exempt from furnishing bonds in certain judicial proceedings, and provides relative to parish phase-in for certain premium increases resulting from its rate filing. (8/1/12)

SUMMARY OF HOUSE AMENDMENTS TO THE SENATE BILL

1. Added amendment to R.S. 22:2303(C) concerning phase-in for parishes of certain premium increases resulting from rate filing.
2. Technical.

DIGEST OF THE SENATE BILL AS RETURNED TO THE SENATE

Present law (R.S. 22:2291 et seq.) provides for the La. Citizens Property Insurance Corporation, a nonprofit corporation created for the purposes of discharging certain state obligations.

Present law (R.S. 13:4581) provides that the state, state agencies, political subdivisions, parishes, certain municipal boards or commissions, sheriffs, sheriffs' departments, and law enforcement districts, the La. Insurance Guaranty Association, and the Patient's Compensation Fund are not required to furnish any bond in any judicial proceedings arising from activities within the scope and course of their duties and employment.

Proposed law retains present law and adds La. Citizens Property Insurance Corporation to the exemption.

Present law (R.S. 22:2303(C)) provides relative to rates, rating plans, and rate rules applicable to the Louisiana Citizens Property Insurance Corporation. Provides that the corporation shall make a rate filing at least once a year for the plans, with the rates to be effective within twelve months of the previous rate filing's effective date. Also provides that nothing in the present law shall require or permit the corporation to adopt a rate that is inadequate or unfairly discriminatory under R.S. 22:1451 et seq. Subject to certain provisions of the present law, the rates shall be approved by the commissioner of insurance.

Proposed law retains present law and adds that any rate filing that will result in a premium increase in excess of 15% over the previous year for any parish shall, for that parish, be phased in over a period of years that will reduce the increase to an amount that is no higher than 10% per year.

Proposed law provides that it shall be given prospective application only and shall not affect any action pending or claim arising prior to the effective date of proposed law.

Effective August 1, 2012.

(Amends R.S. 13:4581 and R.S. 22:2303(C))