
DIGEST

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HB 334 Original

2023 Regular Session

Phelps

Abstract: Allows certain financial institutions to secure certain investments and loans with private insurance.

Present law requires a credit union to carry insurance in order to secure loans.

Proposed law retains present law.

Present law allows the requisite insurance to be provided by federal and state insurance providers.

Proposed law still allows for federal and state insurance but also allows certain financial institutions to use private sector insurance to secure these transactions.

Present law limits the maximum allowable amount of certain investments to the sum of the amount insured by the National Credit Union Administration and the amount insured by any other deposit insurance corporation in any one chartered credit union but allows an excess to the extent the excess is collateralized in accordance with present law.

Proposed law allows private-sector insurance held by a credit union to be added to the amount provided in present law in order to determine the limit on investment.

Proposed law allows the coverage amount held by the credit union to serve in lieu of collateralization pursuant to present law and removes the allowance for excess to be collateralized pursuant to present law.

Present law provides that local and state depositing authorities shall require an insurance company that is listed by the U.S. Treasury Department as an approved surety to secure deposits.

Proposed law retains present law and adds that local and state depositing authorities shall also require a private deposit insurance underwritten by an insurer licensed to do business in the state.

Proposed law makes technical changes.

Effective July 1, 2023.

(Amends R.S. 6:652.2(A)(2) and 656(A)(1)(introductory paragraph) and (c), R.S. 39:1221(A)(6),

and R.S. 49:321(A)(4)