

SENATE RESOLUTION NO. 159

BY SENATOR CONNICK

A RESOLUTION

To authorize and direct the legislative auditor, along with the Department of Insurance, to study and report on the financial transactions between foreign and domestic insurers who are authorized to do and are doing business in the state of Louisiana.

WHEREAS, the financial condition and market conduct of property insurers are matters of vital concern to the citizens of Louisiana, especially in light of repeated natural disasters and rising unattainable insurance premiums; and

WHEREAS, a report commissioned by the Florida Office of Insurance Regulation, completed in March 2022, reviewed property insurers' financial data from 2017 to 2019 and revealed significant transactions between insurers and affiliated companies, including managing general agents (MGAs), holding companies, and service providers; and

WHEREAS, the Florida report raised concerns about whether such financial transfers affected the solvency of insurers, artificially inflated losses, or led to increased costs passed on to consumers; and

WHEREAS, similar concerns may exist in Louisiana's property insurance market, which has seen multiple insurer insolvencies, reduced availability of coverage, and public concern over rising rates; and

WHEREAS, the Senate seeks transparency and accountability in insurer operations and wishes to ensure that the financial practices of insurers do not undermine market stability or unfairly burden policyholders.

THEREFORE, BE IT RESOLVED that the Louisiana State Senate does hereby authorize and direct the legislative auditor, along with the Department of Insurance, to study and report on the financial transactions between foreign and domestic insurers writing coverage for residential property and private passenger auto insurance who are authorized to do and are doing business in Louisiana and their affiliated companies, including but not limited to managing general agents, holding companies, and service providers from January 1, 2021, to December 31, 2024.

BE IT FURTHER RESOLVED that the report shall, at minimum:

- (1) Examine financial data;
- (2) Examine affiliated company relationships disclosed in regulatory filings, including but not limited to annual statements and filings required by Act 488 of 2024;
- (3) Categorize the nature of payments including but not limited to management fees, reinsurance premiums, commissions, administrative services, and dividends;
- (4) Assess whether such payments affected insurers' reported losses, surplus levels, or rate filings;
- (5) Summarize any findings from examinations conducted by the Louisiana Department of Insurance or the responsible state insurance department that relate to transactions between insurers and MGAs or other affiliates.

BE IT FURTHER RESOLVED that the legislative auditor may contract with independent consultants to assist in the conduct of the study, including actuaries, forensic accountants, and insurance finance experts.

BE IT FURTHER RESOLVED that the legislative auditor shall submit a written report of its findings and any recommendations for legislative or regulatory reforms or matters for legislative consideration to the Senate no later than September 1, 2026, and to the David R. Poynter Legislative Research Library, as required by R.S. 24:771.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the legislative auditor.

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PRESIDENT OF THE SENATE