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## DIGEST

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HB 904 Original

2026 Regular Session

Bamberg

**Abstract:** Revises provisions of law governing captive insurance companies and risk retention groups, while instituting supplementary obligations.

Present law provides for the regulation, formation, operation, and oversight of captive insurance companies and risk retention groups, including capital and surplus requirements, deposits, limitations on risk exposure, governance, annual reporting, rate filings, and premium taxes.

Proposed law authorizes the commissioner of insurance (commissioner) to waive certain requirements applicable to risk retention groups if the waiver does not violate accreditation standards of the National Association of Insurance Commissioners NAIC. Proposed law further authorizes the commissioner to promulgate rules necessary to implement the Subpart and to comply with NAIC accreditation standards.

Proposed law expands the forms of capital that may be used to satisfy capital and surplus requirements and authorizes the commissioner to approve additional forms of capital or impose additional capital and surplus requirements based on the type, volume, and nature of the insurance business conducted by a captive insurance company or risk retention group.

Proposed law authorizes the commissioner to require captive insurance companies and risk retention groups to deposit money or specified securities to address financial solvency concerns and retains the existing deposit requirement for association captive insurance companies.

Proposed law limits the exposure of association captive insurance companies to loss on any one risk to ten percent of capital and surplus and authorizes the commissioner to prohibit captive insurance companies and risk retention groups from exposing themselves to loss on a single risk in an amount between three percent and ten percent of capital and surplus.

Proposed law requires board members of risk retention groups chartered and licensed in La. to comply with NAIC corporate governance standards and revises present law to authorize captive insurance companies and risk retention groups to do business in the state regardless of whether an insurance company is directly or indirectly a member or owner.

Proposed law requires captive insurance companies and risk retention groups to file annual financial statements and amendments to their plans of operation and requires risk retention groups to use

NAIC annual statement blanks, accounting practices and procedures, and governance standards.

Proposed law requires premium tax revenues collected under present law to be transferred annually to the department for regulation of captive insurance companies and authorizes the commissioner to withhold funds to defray regulatory and enforcement expenses.

Proposed law authorizes the commissioner to require captive insurance companies and risk retention groups to file rates for property and casualty insurance in accordance with present law and allows the use of rates forty-five days after filing unless disapproved. Proposed law requires captive insurance companies to file rates for all other lines of insurance on an actuarially justified basis and authorizes the commissioner to disapprove rates that raise solvency concerns.

(Amends R.S. 22:550.4, 550.10(E), 550.11, 550.13(E), 550.20, 550.21(1), 550.23(H), and 550.24(A); Adds R.S. 22:550.3(D), 550.10(F), 550.14(B)(5), and 550.21(4))