

2026 Regular Session

HOUSE BILL NO. 932

BY REPRESENTATIVE JORDAN

INSURANCE: Creates the Louisiana Commercial Trucking Insurance Market Reform Act relative to captive insurers

1 AN ACT

2 To enact R.S. 22:550.33 through 550.53, relative to commercial trucking insurance; to create
3 the Louisiana Commercial Trucking Insurance Market Reform Act; to provide for
4 captive insurer contributions; to create the Louisiana Commercial Trucking Market
5 Access Fund; to establish a small carrier group purchasing pool; to provide minimum
6 reserve and surplus requirements for captive insurers; to require disclosure of
7 insurance coverage in commercial trucking accident claims; to provide for direct
8 action; to provide for enforcement, penalties, and administration; and to provide for
9 related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 22:550.33 is hereby enacted to read as follows:

12 §550.33. Short title

13 A. The Legislature finds that:

14 (1) Commercial trucking insurance premiums in Louisiana have increased
15 significantly, with small and independent carriers bearing a disproportionate share
16 of cost increases.

17 (2) Large national trucking companies increasingly utilize captive insurance
18 arrangements that allow them to exit the commercial insurance market and retain
19 premium dollars rather than purchasing coverage in the commercial insurance
20 market.

1 (3) The exit of high-quality risks through captive arrangements results in
2 adverse selection and higher premiums for remaining market participants.

3 (4) Small and independent Louisiana commercial trucking companies,
4 including minority-owned and disadvantaged business enterprises, lack the scale to
5 form captive arrangements and therefore bear the full cost burden of the commercial
6 market.

7 (5) Captive insurers covering Louisiana commercial trucking risks may
8 maintain inadequate reserves to satisfy catastrophic claims, leaving injured Louisiana
9 residents without adequate recovery.

10 (6) Comprehensive market reform addressing adverse selection, expanding
11 access for small carriers, establishing minimum solvency standards, and requiring
12 coverage transparency serves the economic, safety, and equity interests of the state.

13 B. The purpose of this Act is to:

14 (1) Correct market distortion created by captive insurance adverse selection.

15 (2) Expand affordable insurance access for small and minority-owned
16 Louisiana commercial trucking companies.

17 (3) Protect accident victims by ensuring captive insurers maintain adequate
18 reserves.

19 (4) Promote transparency in insurance coverage available to satisfy
20 commercial trucking claims.

21 §550.34. Definitions

22 As used in this Section, the following terms shall have the meanings ascribed
23 to them in this Section:

24 (1) "Captive insurer" means any insurance entity, including a pure captive,
25 group captive, risk retention group, or protected cell captive, that is owned or
26 controlled by the insured entity or entities and that provides insurance coverage
27 primarily or exclusively to the owner or member entities or their affiliates.

28 (2) "Commissioner" means the Commissioner of the Louisiana Department
29 of Insurance.

1 (3) "Commercial motor vehicle" means any motor vehicle used in commerce
2 to transport passengers or property that:

3 (a) has a gross vehicle weight rating or gross combination weight rating of
4 10,001 pounds or more;

5 (b) is designed to transport more than eight passengers, including the driver,
6 for compensation; or

7 (c) is used in the transportation of materials found to be hazardous under
8 applicable federal or state law.

9 (4) "Commercial trucking company" means any person or entity engaged in
10 the business of transporting property by commercial motor vehicle for compensation
11 within or through the State of Louisiana.

12 (5) "Department" means the Louisiana Department of Insurance.

13 (6) "Louisiana commercial trucking risk" means any risk of liability, cargo
14 loss, physical damage, or bodily injury arising out of the operation of a commercial
15 motor vehicle on Louisiana public roadways or arising out of commercial trucking
16 operations within this state.

17 (7) "Louisiana-domiciled commercial trucking company" means a
18 commercial trucking company that:

19 (a) maintains its principal place of business in Louisiana;

20 (b) is registered with the Louisiana Secretary of State; or

21 (c) operates more than fifty percent of its fleet miles within Louisiana.

22 (8) "Market Access Fund" means the fund established pursuant to §550.36
23 of this Act.

24 (9) "Retained premium" means the portion of insurance premium attributable
25 to Louisiana commercial trucking risks that is retained by a captive insurer and not
26 ceded to an unaffiliated reinsurer.

27 (10) "Small carrier" means a Louisiana-domiciled commercial trucking
28 company that owns, operates, or leases fewer than twenty-five commercial motor
29 vehicles.

1 §550.35. Scope of Application

2 A. The provisions of this Part shall apply to any captive insurer that covers
3 Louisiana commercial trucking risks, regardless of the state or jurisdiction in which
4 the captive insurer is domiciled. As a condition of the right of any commercial
5 trucking company utilizing a captive insurer to operate commercial motor vehicles
6 on Louisiana public roadways or to conduct commercial trucking operations within
7 Louisiana, the captive insurer shall comply with the contribution requirements of this
8 Part.

9 §550.36. Louisiana Commercial Trucking Market Access Fund

10 A. There is hereby established within the state treasury a special fund to be
11 designated the "Louisiana Commercial Trucking Market Access Fund," hereinafter
12 referred to as the "Market Access Fund." The monies in the Market Access Fund
13 shall be appropriated solely for the purposes set forth in this Section.

14 B. The Department shall administer the Market Access Fund and shall adopt
15 rules pursuant to the Administrative Procedure Act, R.S. 49:950 et seq., to
16 implement the provisions of this Part, including rules establishing:

17 (i) The methodology for calculating retained premium attributable to
18 Louisiana commercial trucking risks;

19 (ii) The process and timing for annual contributions;

20 (iii) Audit rights and examination procedures;

21 (iv) Penalties for non-compliance; and

22 (v) Procedures for allocation of Fund resources to the Small Carrier Group
23 Purchasing Pool established pursuant to Part IV of this Act.

24 C. Interest earned on monies in the Market Access Fund shall be credited to
25 the Fund. Unexpended balances in the Fund at the end of any fiscal year shall
26 remain in the Fund and shall not revert to the general fund.

27 §550.37. Annual Market Access Fund Contribution

28 A. Every captive insurer covering Louisiana commercial trucking risks shall
29 pay an annual Market Access Fund contribution equal to three percent of all retained

1 premium attributable to Louisiana commercial trucking risks for the preceding
2 calendar year.

3 B. The contribution required by this Section shall be due and payable to the
4 Department on or before March 31 of each calendar year for the prior year's retained
5 premium. The Department may, for good cause shown, grant an extension of not
6 more than sixty days.

7 C. A captive insurer that fails to timely pay the contribution required by this
8 Section shall be subject to:

9 (1) A late payment penalty equal to one percent of the unpaid contribution
10 for each month or portion thereof that the contribution remains unpaid, not to exceed
11 twelve percent in the aggregate; and

12 (2) Suspension of the operating authority of any affiliated commercial
13 trucking company to operate in Louisiana until the contribution, together with all
14 applicable penalties and interest, is paid in full.

15 D. The Department may, by rule, adjust the contribution rate set forth in
16 Subsection (A) of this Section no more frequently than once every two years,
17 provided that any adjustment shall be based on actuarial analysis of the adverse
18 selection impact of captive arrangements on the Louisiana commercial trucking
19 insurance market and shall not exceed five percent.

20 §550.38. Annual Reporting

21 A. Every captive insurer covering Louisiana commercial trucking risks shall
22 file an annual report with the Department on or before March 31 of each year. The
23 annual report shall include:

24 (1) The total amount of insurance premium written for Louisiana commercial
25 trucking risks during the preceding calendar year;

26 (2) The total amount of premium ceded to unaffiliated reinsurers;

27 (3) The retained premium subject to the Market Access Fund contribution;

28 (4) A certification by a qualified actuary that the captive insurer maintains
29 adequate reserves for Louisiana commercial trucking risks; and

1 (5) A list of all affiliated commercial trucking companies operating
2 commercial motor vehicles in Louisiana.

3 B. The Department may examine the books and records of any captive
4 insurer that covers Louisiana commercial trucking risks to verify the accuracy of any
5 annual report filed pursuant to this Section. The cost of such examination shall be
6 borne by the captive insurer examined.

7 §550.39. Establishment of small carrier group purchasing pool

8 A. The Commissioner is hereby authorized and directed to establish, within
9 one year of the effective date of this Act, the Louisiana Small Carrier Commercial
10 Trucking Insurance Group Purchasing Pool, hereinafter referred to as the "Pool."

11 B. The Pool shall be organized as a nonprofit association under the laws of
12 Louisiana and shall be deemed a governmental entity for purposes of state
13 purchasing and contracting laws. The Commissioner shall appoint an initial board
14 of directors consisting of:

15 (1) Three representatives of Louisiana-domiciled small carriers, at least one
16 of whom shall be the owner or operator of a minority-owned commercial trucking
17 company;

18 (2) Two representatives of the Louisiana Department of Insurance;

19 (3) One representative nominated by the Louisiana Trucking Association;
20 and

21 (4) One licensed insurer producer with experience in commercial trucking
22 insurance.

23 C. The Pool shall be funded initially from the Market Access Fund
24 established pursuant to Part III of this Act. The Pool shall be designed to become
25 actuarially self-sustaining within five years of establishment through pooled
26 premium contributions from participating small carriers.

27 §550.40. Eligibility and participation

28 A. Participation in the Pool shall be available to any Louisiana-domiciled
29 commercial trucking company that qualifies as a small carrier as defined in §550.34

1 of this Act.

2 B. Participation in the Pool shall be voluntary. No small carrier shall be
3 required to participate in the Pool as a condition of operating in Louisiana.

4 C. Small carriers participating in the Pool shall:

5 (1) Certify their Louisiana domicile and fleet size to the Pool administrator
6 annually;

7 (2) Pay premiums determined on an actuarially sound basis reflecting the
8 pooled risk of Pool participants;

9 (3) Comply with any safety and loss-control requirements established by the
10 Pool board; and

11 (4) Report all claims promptly to the Pool administrator.

12 D. Small carriers that obtain coverage through the Pool shall be deemed to
13 have satisfied all applicable Louisiana financial responsibility requirements for
14 commercial motor vehicles covered under the Pool policy.

15 §550.41. Minimum reserve requirements

16 A. Every captive insurer covering Louisiana commercial trucking risks shall
17 maintain, at all times, loss and loss adjustment expense reserves for Louisiana
18 commercial trucking risks that are:

19 (1) Calculated on an actuarially sound basis by a qualified actuary using
20 methods and assumptions consistent with the Statement of Actuarial Opinion
21 requirements applicable to admitted insurers under Louisiana law;

22 (2) Not less than the greater of:

23 (i) The amount indicated by the actuary's central estimate of ultimate liability
24 for Louisiana commercial trucking claims;

25 (ii) The seventy-fifth percentile of the actuarial range of such estimates; and

26 (iii) Supported by liquid assets consisting of cash, investment-grade fixed
27 income securities, or letters of credit from federally insured financial institutions
28 with a face amount not less than the required reserve.

29 B. A captive insurer that fails to maintain reserves meeting the requirements

1 of Subsection (A) shall notify the Department within thirty days of the actuary's
2 determination and shall submit a plan to achieve compliance within ninety days.

3 §550.42. Minimum Surplus

4 A. In addition to the reserve requirements of §550.41 of this Act, every
5 captive insurer covering Louisiana commercial trucking risks shall maintain a
6 minimum policyholders' surplus of not less than five hundred thousand dollars
7 (\$500,000) attributable to Louisiana commercial trucking operations, or such greater
8 amount as may be required by the Department based on the volume and severity of
9 Louisiana trucking risks insured.

10 B. The Commissioner shall promulgate rules establishing a risk-based surplus
11 formula applicable to captive insurers with significant Louisiana commercial
12 trucking exposure.

13 § 550.43. Qualified actuary certification

14 A. Every captive insurer subject to this Part shall obtain an annual opinion
15 from a qualified actuary, as defined under R.S. 22:591 et seq., certifying that the
16 reserves maintained for Louisiana commercial trucking risks meet the requirements
17 of §550.41 of this Act.

18 B. The actuary's opinion shall be filed with the Department as part of the
19 annual report required under §550.38 of this Act. The opinion shall be provided in
20 a form prescribed by the Commissioner.

21 C. A captive insurer that fails to file the required actuarial opinion shall be
22 subject to a civil penalty of not more than ten thousand dollars (\$10,000) per day of
23 noncompliance, not to exceed three hundred thousand dollars (\$300,000) in the
24 aggregate for any single violation.

25 §550.44. Right to direct action.

26 A. Notwithstanding any other provision of law, a claimant who obtains a final
27 judgment against a commercial trucking company whose Louisiana commercial
28 trucking risks are covered by a captive insurer may bring a direct action against the
29 captive insurer to enforce the judgment to the extent of available coverage.

1 B. The direct action right provided in this Section shall not expand the limits
2 of coverage available under the captive arrangement but shall ensure that available
3 coverage may be accessed directly by judgment creditors without requirement of a
4 separate proceeding against the commercial trucking company.

5 §550.45. Mandatory disclosure at time of claim

6 A. Within thirty days of receiving written notice of a claim arising out of a
7 commercial trucking accident occurring in Louisiana, every commercial trucking
8 company and every insurer, including any captive insurer, providing coverage to
9 such company for Louisiana commercial trucking risks shall disclose in writing to
10 the claimant or claimant's representative:

11 (1) The identity of every insurer or captive insurer providing any coverage
12 applicable to the claim;

13 (2) The policy number, policy period, and limits of liability of each
14 applicable policy or coverage agreement;

15 (3) The name and contact information of the claims representative
16 responsible for the claim;

17 (4) Whether the coverage is provided through a captive insurer or
18 self-insurance arrangement; and

19 (5) The name and domicile of the captive insurer, if applicable.

20 B. If a commercial trucking company is insured through a risk retention
21 group or similar pooling arrangement, the disclosure required by this Section shall
22 identify the pool or group and the applicable limits of liability.

23 §550.46. Penalties for failure to disclose

24 A. A commercial trucking company or insurer that fails to make the
25 disclosures required by §550.45 within the time prescribed shall be subject to a civil
26 penalty of not more than five thousand dollars (\$5,000) per claim for which
27 disclosure was required and not made, enforceable by the Department.

28 B. Failure to disclose as required by §550.45 shall toll the statute of
29 limitations for any claim against the commercial trucking company or its insurer

1 from the date written notice of claim was given until the date complete disclosure is
2 made.

3 C. A claimant may seek enforcement of the disclosure requirements of this
4 Part in the district court of the parish in which the accident occurred. The court may
5 award reasonable attorney's fees to a prevailing claimant.

6 §550.47. Scope of disclosure obligation

7 A. The disclosure obligation imposed by this Part shall apply regardless of
8 any of the following:

9 (a) whether the claimant has filed suit;

10 (b) whether a reservation of rights has been issued by the insurer; or

11 (c) whether coverage is disputed.

12 B. Nothing in this Part shall be construed as an admission of coverage or
13 liability by any commercial trucking company or captive insurer making the required
14 disclosures.

15 §550.48. Rulemaking authority

16 The Commissioner shall have full authority to promulgate rules and
17 regulations necessary to implement and administer the provisions of this Act
18 pursuant to the Administrative Procedure Act, R.S. 49:950 et seq. Initial rules shall
19 be promulgated within one hundred eighty days of the effective date of this Act.

20 §550.49. Examinations

21 The Department may examine the operations and records of any captive
22 insurer, commercial trucking company, or Pool administrator subject to this Act. The
23 Commissioner may engage independent examiners or actuaries at the expense of the
24 entity being examined. Examinations shall be conducted in accordance with the
25 procedures applicable to insurance company examinations under Title 22 of the
26 Louisiana Revised Statutes.

27 §550.50. Suspension of operating authority

28 (A) Upon a finding that a commercial trucking company has failed to
29 comply with the requirements of this Act or that a captive insurer covering the

1 company's Louisiana risks has failed to comply with the requirements of this Act, the
2 Commissioner may petition the office having jurisdiction over the company's
3 authority to operate commercial motor vehicles in Louisiana to suspend such
4 authority pending compliance.

5 (B) Any suspension under this Section shall be lifted within five business
6 days of the Commissioner's certification that the deficiencies have been corrected.

7 §550.51. Civil penalty schedule

8 In addition to any other penalty provided by this Act, the Commissioner may
9 impose civil penalties not to exceed the following amounts for violations of this Act:

10 (1) Failure to file annual report under §550.38: \$5,000 per month of
11 noncompliance;

12 (2) Failure to maintain required reserves under §550.41: \$25,000 per
13 examination finding;

14 (3) Failure to maintain minimum surplus under §550.42: \$10,000 per month
15 of noncompliance;

16 (4) Failure to disclose under §550.45: \$5,000 per claim; and

17 (5) Willful or fraudulent misrepresentation in any filing required under this
18 Act: \$50,000 per violation.

19 Civil penalties collected under this Section shall be deposited into the Market
20 Access Fund.

21 §550.52. Severability

22 If any provision of this Act or the application thereof to any person or
23 circumstance is held invalid, such invalidity shall not affect other provisions or
24 applications of this Act which can be given effect without the invalid provision or
25 application, and to this end the provisions of this Act are hereby declared severable.

26 §550.53. Applicability

27 (A) Parts III and V of this Act shall apply to all captive insurers covering
28 Louisiana commercial trucking risks for policy periods commencing on or after
29 January 1, 2027.

1 (B) Part IV of this Act shall become operative twelve months after the
2 effective date of this Act.

3 (C) Part VI of this Act shall apply to all claims for which written notice is
4 received on or after the effective date of this Act.

5 Section 2. This Act shall become effective upon signature by the governor or, if not
6 signed by the governor, upon expiration of the time for bills to become law without signature
7 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
8 vetoed by the governor and subsequently approved by the legislature, this Act shall become
9 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 932 Original

2026 Regular Session

Jordan

Abstract: Creates the Louisiana Commercial Trucking Insurance Market Reform Act, which establishes a framework for improving the commercial trucking insurance landscape in the state. Outlines requirements for captive insurer contributions and creates the Louisiana Commercial Trucking Market Access Fund. Introduces a small-carrier group purchasing pool, imposes reserve and surplus standards on captive insurers, and mandates the disclosure of insurance coverage in commercial trucking accident claims. Authorizes direct action against captive insurers and provides guidelines for enforcement, penalties, examinations, rulemaking, and applicability.

Proposed law enacts R.S. 22:550.33 through 550.53 to create the Louisiana Commercial Trucking Insurance Market Reform Act.

Proposed law provides legislative findings and states the purposes of the Act, including addressing adverse selection caused by captive insurance arrangements, expanding insurance access for small carriers, ensuring adequate reserves, and promoting coverage transparency.

Proposed law defines key terms including “captive insurer”, “commercial motor vehicle”, “commercial trucking company”, “Louisiana commercial trucking risk”, “retained premium”, and “small carrier”.

Proposed law applies to any captive insurer covering Louisiana commercial trucking risks, regardless of domicile, and conditions a trucking company’s authority to operate in Louisiana on compliance by its captive insurer.

Proposed law creates the Louisiana Commercial Trucking Market Access Fund in the state treasury, administered by the Dept. of Insurance, and authorizes rulemaking for contribution methodology, audits, penalties, and allocation of fund resources.

Proposed law requires each captive insurer covering Louisiana commercial trucking risks to pay an annual contribution equal to 3% of retained premium attributable to Louisiana risks, provides for due dates, extensions, penalties, and authorizes the Department to adjust the rate by rule based on actuarial analysis.

Proposed law requires captive insurers to file an annual report including premium data, ceded reinsurance, retained premium, actuarial reserve certification, and a list of affiliated trucking companies operating in Louisiana, and authorizes examinations at the insurer's expense.

Proposed law establishes the Louisiana Small Carrier Commercial Trucking Insurance Group Purchasing Pool as a nonprofit association and governmental entity for procurement purposes, provides for board composition, initial funding from the Market Access Fund, and a five-year transition to actuarial self-sufficiency.

Proposed law provides eligibility and participation requirements for small carriers, including domicile certification, actuarially based premiums, safety compliance, and claims reporting, and provides that coverage through the Pool satisfies Louisiana financial responsibility requirements.

Proposed law establishes minimum reserve requirements for captive insurers, including actuarially sound calculations, minimum thresholds based on central estimates or percentile ranges, and support by liquid assets. Proposed law also requires a minimum policyholders' surplus of at least \$500,000 attributable to Louisiana trucking operations and authorizes a risk based surplus formula.

Proposed law requires an annual actuarial opinion certifying reserve adequacy and imposes penalties for failure to file.

Proposed law authorizes a direct action against a captive insurer by a judgment creditor of a commercial trucking company, limited to available coverage.

Proposed law requires disclosure of insurance coverage information within 30 days of written notice of a claim, including insurer identity, policy limits, claims contacts, and captive insurer details, and provides for penalties, tolling of prescription, and enforcement in district court.

Proposed law authorizes rulemaking, examinations, suspension of operating authority for noncompliance, and establishes a civil penalty schedule, directing collected penalties to the Market Access Fund.

Proposed law provides severability and applicability dates for various Parts of the Act.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 22:550.33-550.53)