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 DIGEST

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SB 341 Engrossed

2026 Regular Session

Edmonds

Present law allows churches and nonprofit religious organizations to form self-insurance pools for property insurance through the Louisiana Churches and Nonprofit Religious Organizations Self-Insured Fund (the fund).

Proposed law allows self-insurance pools for commercial coverage and defines "commercial coverage".

Proposed law allows churches and nonprofit religious organizations to also form self-insurance pools for other types of risk with approval of the commissioner of insurance.

Present law provides for a written application to the Department of Insurance(department) to form a self-insurance fund. Requires that the application contain proof of advance payment to the fund by each initial member of the fund of not less than twenty-five percent of that member's first year estimated annual normal premiums.

Proposed law retains present law except that it requires proof through a pledge to make advance payment prior to the fund providing coverage. Further authorizes the commissioner to suspend the funds' certificate or authority until every initial member of the fund has made their pledge advance payment, and allows the commissioner to take additional regulatory action.

Present law sets forth certain requirements for the fund and provides that the fund maintain a contract or contracts of specific excess insurance and reinsurance of not less than an amount that is actuarially sound and approved by the department.

Proposed law requires the members of the fund to establish and maintain an aggregate loss fund or a stop loss provision as part of the excess insurance policy placements in an amount equivalent to not more than one year's premium for each risk underwritten. Further requires the trust fund for each risk underwritten to maintain a cash reserve, sufficient to cover payment of the entire aggregate loss fund, for each coverage year.

Present law grants exclusive jurisdiction over any proceeding instituted under present law to the 19th JDC.

Proposed law retains present law and further allows the fund and a member of the fund to resolve a claim dispute through mediation or appraisal process.

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

(Amends R.S. 12:1853, 1854(intro para), (3), and (7), 1855(B)(1)(intro para), (B)(2)(b)(xiii), 1856(A)(3) and (4), and 1870; Adds R.S.12:1856(H))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the original bill

1. Changes the term "property insurance" to "commercial coverage", defines "commercial coverage", and excludes medical payment coverage definition.
2. Requires initial members to pledge and make advance payments prior to the fund providing coverage.

3. Provides that if the fund provides coverage before each initial member of the fund make advanced payment as pledged, the commissioner shall suspend the fund's certificate or authority until all payments are made.
4. Requires members of the fund to establish and maintain an aggregate loss fund or stop loss fund provision in an amount equivalent to one year's premium and maintain a cash reserve to cover the entire aggregate loss fund.
5. Provides for exclusive jurisdiction in the 19th JDC for any proceeding instituted and allow for mediation or appraisal to settle claim disputes.
6. Makes technical changes.

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the engrossed bill:

1. Make technical changes.