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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Cheryl Horne.

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## DIGEST

Present law prohibits the plans made available by the Louisiana Citizens Property Insurance Corporation ("Citizens") from competing with the voluntary market. Further provides that rates set by the governing board of Citizens shall exceed by at least 10% the higher of the actuarially justified rate or the highest rates charged among assessable insurers that have a minimum of 2% of the total direct written premium in each respective parish for that line of business in the preceding year. With respect to personal lines property insurance, excluding wind and hail policies, only, present law provides the rates shall be the highest rates charged among assessable insurers in each respective parish which in the preceding year increased by at least 25 additional personal lines property insurance policies, excluding wind and hail policies, in such parish, the total number of such policies in effect for the parish over the year before.

Proposed law retains present law and adds that the rates set by the governing board of Citizens shall exceed the highest rates charged among assessable insurers that have a minimum of 2% of the total direct written premium in each respective parish for that line of business offered as stand-alone coverage in the preceding year.

Proposed law prohibits Citizens from assessing rate increases in excess of 25% in a single year without approval of the House and Senate committees on insurance, acting jointly. Further provides that the chief executive officer and the staff actuary for the corporation shall provide testimony to the joint committee which specifies, by parish, the basis and methodology used in determining the proposed rate increase.

Effective August 1, 2013.

(Amends R.S. 22:2303(A))