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

DIGEST

Allain (SB 19)

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. The joint meeting shall be held within 30 days of the notification from the Citizens board to the committees of the proposed rate increase. Further provides that the chief executive officer and the staff actuary for the corporation shall provide testimony at the joint meeting which specifies, by parish, the basis and methodology used in determining the proposed rate increase. Permits the commissioner to implement the rate increase over a period of two to five years if approved at the joint meeting.

Effective August 1, 2013.

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

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original bill

1. Requires the joint meeting of the House and Senate committees on insurance to be held within 30 days of the notification from the Citizens board to the committees of the proposed rate increase.

2. Makes technical changes.
3. Permits the commissioner to implement the rate increase over a period of two to five years if approved at the joint meeting.