

## RÉSUMÉ DIGEST

ACT 1 (HB 1)

2023 First Extraordinary Session

Zeringue

New law directs the state treasurer to transfer \$45 M from the state general fund into the Insure La. Incentive Fund.

Further, new law appropriates \$45 M of budget authority to the Dept. of Insurance out of the Insure La. Incentive Fund for implementation and execution of the Insure La. Incentive Program (hereafter referred to as the "program"). Requires that funds be used to award grants only to insurers licensed in La. possessing a minimum financial strength rating of AM Best "B+" or a Demotech financial stability rating of "A". Further requires any licensed surplus lines insurer applying for a grant pursuant to the program to have a minimum financial strength rating of AM Best "A".

New law requires the commissioner of insurance to expedite to the greatest extent possible the approval of certificates of authority, rate filings, form filings, and other necessary regulatory approvals of qualified insurers to facilitate the underwriting of new policies pursuant to the program as quickly as possible and to monitor the financial solvency of insurers that are issued a grant pursuant to the program from funds appropriated in new law. Requires such monitoring to include an evaluation of the adequacy of insurer reinsurance programs using catastrophe model stress tests against the insurer's book of business. Requires the commissioner to take whatever action is necessary to ensure that insurers receiving grants pursuant to the program from funds appropriated in new law remain financially solvent.

New law additionally requires the Dept. of Insurance to submit annual and quarterly reports on the program to the House Committee on Appropriations, the Senate Committee on Finance, and the House and Senate committees on insurance detailing the following information on grantees receiving grants from funds appropriated pursuant to new law: the amount of premiums written by parish pursuant to the program; the amount of premiums by parish for property located in the parishes included in the federal Gulf Opportunity Zone Act of 2005; the amount of premiums by parish removed from the Louisiana Citizens Property Insurance Corporation; and the total amount of premiums by parish, inclusive of premiums written pursuant to the program.

New law requires the commissioner of insurance to promulgate rules for the Insure La. Incentive Program that require reporting at least quarterly by each grantee that receives a grant from funds appropriated in new law regarding certain financial data, including the grantee's premium to surplus ratio and the grantee's catastrophe reinsurance program.

New law authorizes the commissioner of insurance to adopt emergency rules pursuant to the Admin. Procedure Act to implement the program in conformity with new law.

New law requires that in awarding grants from funds appropriated pursuant to new law, the commissioner of insurance give preference to grant applicants that agree to provide wind and hail coverage.

Effective upon signature of the governor (Feb. 6, 2023).