RÉSUMÉ DIGEST

ACT 326 (HB 904) **2026 Regular Session** **Bamburg**

Existing law provides for the regulation, formation, operation, and oversight of captive insurance companies and risk retention groups, including provisions related to capital and surplus requirements, deposits, limitations on risk exposure, governance, annual reporting, rate filings, and premium taxes.

New law retains the existing framework while revising provisions governing captive insurance companies and risk retention groups to afford additional regulatory flexibility, enhance solvency oversight, and align these entities with the accreditation standards established by the National Association of Insurance Commissioners (NAIC).

New law authorizes the commissioner of insurance (commissioner) to waive requirements applicable to risk retention groups, provided that such waiver does not contravene NAIC accreditation standards. The commissioner is authorized to promulgate rules and regulations deemed necessary for the implementation and enforcement of legal provisions and compliance with NAIC accreditation standards.

Existing law outlines capital and surplus requirements applicable to captive insurance companies and risk retention groups.

New law expands the categories of capital permissible for satisfying such requirements and grants the commissioner the authority to approve additional forms of capital or impose further requirements contingent upon the type, volume, and nature of the insurance business conducted.

Existing law mandates deposits for association captive insurance companies. New law retains this requirement and authorizes the commissioner to require that captive insurance companies and risk retention groups deposit funds or specific securities in amounts deemed requisite to address financial solvency concerns.

Existing law imposes limitations on the extent of risk exposure associated with any single risk.

New law maintains such limitations but empowers the commissioner, notwithstanding the said limitations, to permit a captive insurance company or risk retention group chartered and licensed in this state to expose itself to loss on a single risk in an amount not to exceed 30% of its capital and surplus.

New law mandates that board members of risk retention groups chartered and licensed in this state adhere to corporate governance standards established by the NAIC and maintain governance standards substantially akin to those adopted by the NAIC.

Prior law prohibited captive insurance companies from conducting business under certain circumstances involving direct or indirect ownership by an insurance company.

New law authorizes captive insurance companies and risk retention groups to operate within this state regardless of whether an insurance company holds direct or indirect ownership or membership.

New law requires captive insurance companies and risk retention groups to submit annual financial statements and any amendments to their operational plans. Additionally, it requires risk retention groups to utilize NAIC annual statement blanks and comply with NAIC accounting standards and procedures.

New law stipulates that premium tax revenues collected pursuant to law shall be transferred annually to the Dept. of Insurance for the regulation of captive insurance companies and risk retention groups. It also authorizes the commissioner to withhold such funds to cover administrative, regulatory, and enforcement expenditures.

New law authorizes the commissioner to compel captive insurance companies and risk retention groups to file rates for property and casualty insurance. Such rates may become effective 45 days post-filing unless disapproved. New law requires captive insurance companies to file rates for all other lines of insurance on an actuarially justified basis and authorizes the commissioner to disapprove filings that raise solvency concerns.

Effective upon signature of governor (May 22, 2026).

(Amends R.S. 22:550.4, 550.10(E) and (F), 550.11, 550.13(E), 550.20, 550.21(intro. para.) and (1), 550.23(H), and 550.24(A); Adds R.S. 22:550.3(D), 550.14(B)(5), and 550.21(4))