

Regular Session, 2011

HOUSE BILL NO. 148

BY REPRESENTATIVE AUBERT

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

INSURANCE COMMISSIONER: Expands the type of risk-based capital reports that shall be included within the definition of company-action level events

1 AN ACT

2 To enact R.S. 22:613(A)(1)(c), relative to domestic insurers; to expand the definition of
3 company-action level event; and to provide for related matters.

4 Be it enacted by the Legislature of Louisiana:

5 Section 1. R.S. 22:613(A)(1)(c) is hereby enacted to read as follows:

6 §613. Company-action level event

7 A. "Company-action level event" means any of the following events:

8 (1) The filing of a risk-based capital report by an insurer that indicates that:

9 * * *

10 (c) The property and casualty insurer maintains a total adjusted capital which
11 is greater than or equal to its company-action level risk-based capital but less than
12 the product of its authorized-control level risk-based capital and three but triggers
13 the trend test determined in accordance with the trend test calculation included in the
14 property and casualty risk-based capital instructions.

15 * * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Aubert

HB No. 148

Abstract: Adds another type of risk-based capital report that, upon filing, shall be considered a company-action level event.

Present law provides that the meaning of "company-action level event" shall include either of the following:

- (1) The filing of a risk-based capital report by an insurer that indicates that the total adjusted capital of the insurer is greater than or equal to its regulatory-action level risk-based capital, but less than its company-action level risk-based capital.
- (2) The filing of a risk-based capital report by an insurer that indicates that the life or health and accident insurer maintains a total adjusted capital which is greater than its company-action level risk-based capital, but less than the product of its authorized-control level risk-based capital and two and one-half but has a negative trend.

Proposed law expands the definition of "company-action level event" to also include the filing of a risk-based capital report by an insurer that indicates that, while the property and casualty insurer maintains a total adjusted capital that is greater than or equal to its company action level risk-based capital, it is less than the product of its authorized-control level risk-based capital and three but triggers the trend test. The trend test will be determined in accordance with the trend test calculation that is included in the property and casualty risk-based capital instructions.

(Adds R.S. 22:613(A)(1)(c))