
DIGEST

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HB 520 Original

2016 Regular Session

Chad Brown

Abstract: Requires foreign and alien insurers to make supplemental deposits for the benefit of policyholders and creditors.

Present law requires a foreign or alien insurer seeking a certificate of authority to transact business in Louisiana prepare and deliver to the commissioner a certificate from the proper official in the domiciliary state of the foreign insurer showing that a deposit of has been made in the insurer's domiciliary state of not less than \$100,000.00.

Proposed law changes present law by requiring foreign or alien insurers to make a supplemental deposit with the commissioner a safekeeping or trust receipt from a bank doing business in the domiciliary state or from a savings and loan chartered to do business in Louisiana indicating that \$100,000.00 in money or approved bonds with a market value of not less than \$100,000.00 has been made for the benefit of all policyholders and creditors of the insurer. Further requires that all foreign and alien insurers shall comply with the new supplemental deposit requirement after January 1, 2017.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 22:332(A)(13), 801, and 804(A))