

ACTS OF 2023
1ST EXTRAORDINARY
SESSION OF THE
LEGISLATURE

Acts 1-2

ACT No. 1

HOUSE BILL NO. 1
BY REPRESENTATIVE ZERINGUE
AN ACT

To appropriate funds for Fiscal Year 2022-2023, relative to the Insure Louisiana Incentive Program; to impose conditions on the use of such appropriation; to require reports relative to the use of such appropriation; to direct the state treasurer to transfer certain sums into the program fund for the execution of the appropriation; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. The following sum is hereby appropriated from the source specified for the purpose of making a supplemental appropriation for Fiscal Year 2022-2023 to the Department of Insurance.

ELECTED OFFICIALS

DEPARTMENT OF INSURANCE

04-165 COMMISSIONER OF INSURANCE

EXPENDITURES:

Administrative/Fiscal Program for the Insure Louisiana Incentive Program \$ 45,000,000

TOTAL EXPENDITURES \$ 45,000,000

MEANS OF FINANCE:

State General Fund by:

Statutory Dedications: Insure Louisiana Incentive Fund \$ 45,000,000

TOTAL MEANS OF FINANCING \$ 45,000,000

Provided, however, that funds appropriated herein to the Administrative/Fiscal Program for the Insure Louisiana Incentive Program, shall be used to award grants only to insurers licensed in Louisiana possessing a minimum financial strength rating of AM Best "B+" or a Demotech financial stability rating of "A". Any licensed surplus lines insurer applying for a grant pursuant to the Insure Louisiana Incentive Program shall have a minimum financial strength rating of AM Best "A".

Provided further that the commissioner shall 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 shall monitor the financial solvency of insurers that are issued a grant pursuant to the program from funds appropriated herein. Such monitoring shall include an evaluation of the adequacy of insurer reinsurance programs using catastrophe model stress tests against the insurer's book of business. The commissioner shall take whatever action is necessary to ensure that insurers receiving grants pursuant to the program from funds appropriated herein remain financially solvent.

Provided further that the commissioner shall submit annual and quarterly reports on the Insure Louisiana Incentive Program to the House Committee on Appropriations, the Senate Committee on Finance, and the House and Senate committees on insurance containing information for the preceding year and quarter, respectively, detailing the following for grantees receiving grants from funds appropriated herein: the amount of premiums written, by parish and by grantee, pursuant to the program; the amount of premiums, by parish and by grantee, for property located in the parishes included in the federal Gulf Opportunity Zone Act of 2005; the amount of premiums, by parish

and by grantee, removed from the Louisiana Citizens Property Insurance Corporation; and the total amount of premiums for each grantee, by parish, inclusive of premiums written pursuant to the program.

Provided further that the commissioner of insurance may adopt emergency rules pursuant to the Administrative Procedure Act to implement the Insure Louisiana Incentive Program in conformity with the provisions of this Act.

Provided further that the commissioner shall promulgate rules for the program that require reporting at least quarterly by each grantee that receives a grant from the funding appropriated herein regarding the grantee's: premium to surplus ratio, net of reinsurance; gross premium to surplus ratio; and detail on the catastrophe reinsurance program maintained by the grantee, including retentions, limits, reinstatements, the current rating of the grantee, and Probable Maximum Loss models for at least five different scenarios. Such rules shall establish ratios for these reporting requirements, as applicable. Within thirty days of the end of each reporting period, the department shall aggregate all responses and submit them as a report to the Legislature. The commissioner of insurance is authorized to adopt emergency rules for the implementation of this provision.

Provided further, that in awarding grants from funds appropriated herein pursuant to the Insure Louisiana Incentive Program, the commissioner shall give preference to grant applicants that agree to provide wind and hail coverage.

Section 2. The state treasurer is hereby authorized and directed to transfer \$45,000,000 to the Insure Louisiana Incentive Fund from the state general fund out of FY 2022-2023 excess state general fund monies recognized by the Revenue Estimating Conference at its December 15, 2022, meeting.

Section 3. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

Approved by the Governor, February 6, 2023.

A true copy:

R. Kyle Ardoin
Secretary of State

ACT No. 2

HOUSE BILL NO. 2
BY REPRESENTATIVE STEFANSKI
AN ACT

To provide restrictions on funding appropriated to the Department of Insurance for Fiscal Year 2022-2023 for the Insure Louisiana Incentive Program; to provide for an effective date; and to provide for related matters. Be it enacted by the Legislature of Louisiana:

Section 1. The following restriction is hereby added to appropriations for the Department of Insurance for Fiscal Year 2022-2023.

ELECTED OFFICIALS

DEPARTMENT OF INSURANCE

04-165 COMMISSIONER OF INSURANCE

Notwithstanding any provision of law or this Act to the contrary, the following are ineligible to receive any portion of funds appropriated for the Insure Louisiana Incentive Program:

A. Any insurance company with an officer, director, or controlling shareholder who was an officer, director, or controlling shareholder of an insurance company licensed in Louisiana that filed for bankruptcy or was declared insolvent.

B. Any insurance company whose parent company controlled all or part of an insurance company licensed in Louisiana that filed for bankruptcy or was declared insolvent.

Section 2. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

Approved by the Governor, February 6, 2023.

A true copy:

R. Kyle Ardoin
Secretary of State