

Regular Session, 2013

HOUSE BILL NO. 227

BY REPRESENTATIVE LORUSSO

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

INSURANCE/PROPERTY: Changes requirements relative to Property Insurance Association of Louisiana

1 AN ACT

2 To amend and reenact R.S. 22:1460(B)(2)(introductory paragraph) and (h), (3), and (E) and
3 to repeal R.S. 22:1460(D)(3), relative to the Property Insurance Association of
4 Louisiana; to change membership requirements; to change requirements of
5 operation; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:1460(B)(2)(introductory paragraph) and (h), (3), and (E) are
8 hereby amended and reenacted to read as follows:

9 §1460. Fire insurance rates; the Property Insurance Association of Louisiana

10 * * *

11 B.

12 * * *

13 (2) The board of directors of the association shall ~~be residents of this state~~
14 ~~and~~ consist of nineteen members, as follows:

15 * * *

16 (h) Nine members who shall be elected from and by the membership of the
17 association. These nine members shall ~~be properly apportioned as between~~ include
18 representatives of stock and nonstock members predicated with consideration given
19 to on the ratio of their net direct fire insurance premiums, less returned premiums,
20 for the most recently available calendar year ~~immediately preceding said election.~~

1 ~~Said net~~ Such direct fire insurance premiums, less returned premiums, shall be
2 furnished the association by the commissioner of insurance.

3 * * *

4 (3) Each board member shall be entitled to one vote, except that the
5 legislative members serving pursuant to ~~Subparagraphs (f) and (g) of Paragraph (2)~~
6 ~~of this Subsection~~ Subpragraphs (B)(3)(f) and (g) shall be nonvoting members who
7 shall also not be counted for the purposes of a quorum. The officers shall consist of
8 a president, vice president, and secretary-treasurer. The bylaws may provide for
9 such other officers and employees as may be deemed necessary or advisable. The
10 main office of the association shall be in the ~~city of New Orleans~~ state of Louisiana,
11 and branch offices may be established throughout this state.

12 * * *

13 E.(1) Expenses of the association shall be paid by its members and
14 subscribers through assessments levied upon them by the association equitably in
15 proportion to services rendered by the association to the individual member which,
16 insofar as possible, shall be in proportion to the direct premiums, less returned
17 premiums, ~~received~~ written on properties located in this state by each insurer in the
18 year before the preceding year, provided that any insurer member which has not
19 operated in this state for the two full years next preceding the assessment shall be
20 required to pay a proportionate payment based upon that part of the penultimate year
21 it was operating in this state. Members who deviate from association rates shall be
22 assessed on an amount of premium that would have been received had the
23 association rates been charged. Any member-insurer may appeal to the
24 commissioner of insurance to review and modify its assessment to assure that the
25 assessment complies with the provisions of this Section. Credit in assessment shall
26 not be taken for dividends paid to policyholders. The association shall have the right
27 to charge subscribers for services rendered, and to charge members and subscribers
28 reasonable entrance and annual membership and subscription fees.

expenses. Further requires the association to suspend or revoke the license of the delinquent member insurer.

Proposed law changes the requirement in present law to an option that the association may make upon its own discretion.

(Amends R.S. 22:1460(B)(2)(intro. para.) and (h), (3), and (E); Repeals R.S. 22:1460(D)(3))