

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

AN ACT

To amend and reenact R.S. 22:611(8)(b), (c), and (d) and 613(A)(1)(b) and (c), relative to risk-based capital for domestic insurers; to provide for definitions; to provide with respect to a company-action level event; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:611(8)(b), (c), and (d) and 613(A)(1)(b) and (c) are hereby amended and reenacted to read as follows:

§611. Definitions

As used in this Subpart, the following terms shall have the following meanings:

* * *

(8) "Risk-based capital level" means an action level risk-based capital, regulatory action level risk-based capital, authorized control level risk-based capital, or mandatory control level risk-based capital of an insurer where:

* * *

(b) "Company-action level risk-based capital" means ~~the product of two multiplied by its~~ **two hundred percent of a company's** authorized control level risk-based capital.

(c) "Mandatory-control level risk-based capital" means seven-tenths ~~multiplied by the~~ **of a company's** authorized control level risk-based capital.

(d) "Regulatory-action level risk-based capital" means ~~one and one-half multiplied by the~~ **one hundred and fifty percent of a company's** authorized control level risk-based capital.

* * *

1 §613. Company-action level event

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

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

4 * * *

5 (b) The life or health and accident insurer maintains a total adjusted capital

6 ~~which is greater than or equal to its company-action level risk-based capital, but less~~

7 ~~than the product~~ **but below three hundred percent** of its authorized-control level

8 **but triggers the trend test determined in accordance with the trend test**

9 **calculation included in the property and casualty risk-based capital instructions**

10 ~~risk-based capital and two and one-half but has a negative trend.~~

11 (c) The property and casualty insurer maintains a total adjusted capital which

12 is greater than or equal to its company-action level risk-based capital ~~but less than~~

13 ~~the product~~ **but below three hundred percent** of its authorized-control level risk-

14 based capital ~~and three~~ but triggers the trend test determined in accordance with the

15 trend test calculation included in the property and casualty risk-based capital

16 instructions.

17 * * *

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____