

ACT No. 1

2023 First Extraordinary Session

HOUSE BILL NO. 1

BY REPRESENTATIVE ZERINGUE

1 AN ACT

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

7 Be it enacted by the Legislature of Louisiana:

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

11 **ELECTED OFFICIALS**

12 **DEPARTMENT OF INSURANCE**

13 **04-165 COMMISSIONER OF INSURANCE**

14 EXPENDITURES:

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

17 TOTAL EXPENDITURES \$ 45,000,000

18 MEANS OF FINANCE:

19 State General Fund by:
20 Statutory Dedications:
21 Insure Louisiana Incentive Fund \$ 45,000,000

22 TOTAL MEANS OF FINANCING \$ 45,000,000

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

7 Provided further that the commissioner shall expedite to the greatest extent possible the
8 approval of certificates of authority, rate filings, form filings, and other necessary regulatory
9 approvals of qualified insurers to facilitate the underwriting of new policies pursuant to the
10 program as quickly as possible and shall monitor the financial solvency of insurers that are
11 issued a grant pursuant to the program from funds appropriated herein. Such monitoring
12 shall include an evaluation of the adequacy of insurer reinsurance programs using
13 catastrophe model stress tests against the insurer's book of business. The commissioner shall
14 take whatever action is necessary to ensure that insurers receiving grants pursuant to the
15 program from funds appropriated herein remain financially solvent.

16 Provided further that the commissioner shall submit annual and quarterly reports on the
17 Insure Louisiana Incentive Program to the House Committee on Appropriations, the Senate
18 Committee on Finance, and the House and Senate committees on insurance containing
19 information for the preceding year and quarter, respectively, detailing the following for
20 grantees receiving grants from funds appropriated herein: the amount of premiums written,
21 by parish and by grantee, pursuant to the program; the amount of premiums, by parish and
22 by grantee, for property located in the parishes included in the federal Gulf Opportunity
23 Zone Act of 2005; the amount of premiums, by parish and by grantee, removed from the
24 Louisiana Citizens Property Insurance Corporation; and the total amount of premiums for
25 each grantee, by parish, inclusive of premiums written pursuant to the program.

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

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

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

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

46 Section 3. This Act shall become effective upon signature by the governor or, if not
47 signed by the governor, upon expiration of the time for bills to become law without signature
48 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If

1 vetoed by the governor and subsequently approved by the legislature, this Act shall become
2 effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____