

# Session Wrap

## 2023 1<sup>st</sup> Extraordinary Session

### Louisiana Legislature



House Legislative Services  
Louisiana House of Representatives

**February 7, 2023**

All included legislation completed the legislative process.



# 2023 1<sup>st</sup> Extraordinary Session



- “Called” by the [Governor’s Proclamation No. 7 JBE 2023](#) to appropriate excess state general fund for the Insure Louisiana Incentive Fund created by [Act 754 of the 2022 Regular Session](#)
- Legislators limited to filing and debating bills that fall within the Governor’s “call”
- Convened Monday, January 30<sup>th</sup>
- Adjourned Friday, February 3<sup>rd</sup>

# Insure Louisiana Incentive Program

[HB 1](#) appropriates \$45 million to the Department of Insurance for the Insure Louisiana Incentive Program.

- Applicants must be licensed in Louisiana and possess a minimum financial strength rating of AM Best “B+” or a Demotech financial stability rating of “A” to receive a grant from the Insure Louisiana Incentive Program from appropriated funds for Fiscal Year 2022-2023.
  - Licensed surplus lines insurer applicants must have a minimum financial strength rating of AM Best “A”.
  - Preference given to those that agree to provide wind and hail coverage.
- Requires rule promulgation to mandate financial data reporting by grantees including:
  - premium to surplus ratio, net of reinsurance;
  - gross premium to surplus ratio; and
  - catastrophe reinsurance program details.
- Requires the Commissioner of Insurance to expedite regulatory approvals of qualified insurers to facilitate the underwriting of new policies pursuant to the program and to monitor the financial solvency of each grant recipient.
  - Monitoring must include an evaluation of the adequacy of insurer reinsurance programs using catastrophe model stress tests against the insurer's book of business.
- The Department of Insurance must submit annual and quarterly reports on the program to the legislature.

# Insure Louisiana Incentive Program

## HB 2

- Prohibits the following entities from receiving a grant from the Insure Louisiana Incentive Program from appropriated funds for Fiscal Year 2022-2023:
  - 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.
  - 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.

