

SENATE BILL NO. 204

BY SENATOR MORRISH

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AN ACT

To amend and reenact R.S. 13:4581 and R.S. 22:2203(D)(1), relative to exemptions applicable to the Louisiana Citizens Property Insurance Corporation; to provide an exemption for the corporation from posting bond; to provide an exemption relative to rates charged by the corporation; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 13:4581 is hereby amended and reenacted to read as follows:

§4581. State, state agencies, political subdivisions, and public boards and commissions not required to furnish bond; **Louisiana Citizens Property Insurance Corporation**

The state, state agencies, political subdivisions, parish, and municipal boards or commissions exercising public power and functions, sheriffs, sheriffs' departments, and law enforcement districts, the Louisiana Insurance Guaranty Association, **the Louisiana Citizens Property Insurance Corporation**, and the Patient's Compensation Fund, or any officer or employee thereof, shall not be required to furnish any appeal bond or any other bond ~~whatsoever~~ in any judicial proceedings instituted by or brought against them, that arise from activities within the scope and course of their duties and employment.

Section 2. R.S. 22:2303(D)(1) is hereby amended and reenacted to read as follows:

§2303. Rates, rating plans, and rate rules applicable

* * *

D.(1) Notwithstanding the provisions of Paragraph (A)(1) of this Section, until August 15, 2010, the corporation shall charge the higher of (a) actuarially

1 justified rates or (b) the highest rates charged among assessable insurers that have
 2 a minimum of two percent of the total direct written premium in each respective
 3 parish for that line of business in the preceding year, or, with respect to personal
 4 lines property insurance, excluding wind and hail policies, only, (c) the highest rates
 5 charged among assessable insurers in each respective parish which in the preceding
 6 year increased by at least twenty-five additional personal lines property insurance
 7 policies, excluding wind and hail policies, in such parish, the total number of such
 8 policies in effect for the parish over the year before, in any noncompetitive market
 9 unless competition resumes. If the corporation is writing more than fifty percent of
 10 the residential property insurance business in a market, including wind- and hail-only
 11 coverages, the board of directors shall report that fact to the commissioner of
 12 insurance. Notwithstanding any other provision of law to the contrary, until August
 13 15, ~~2014~~ **2015**, regardless of whether a competitive market may exist, the ten percent
 14 rate in excess of the higher of (a) the actuarially justified rate or (b) the highest rates
 15 charged among assessable insurers that have a minimum of two percent of the total
 16 direct written premium in each respective parish for that line of business in the
 17 preceding year, or, with respect to personal lines property insurance, excluding wind
 18 and hail policies, only, (c) the highest rates charged among assessable insurers in
 19 each respective parish which in the preceding year increased by at least twenty-five
 20 additional personal lines property insurance policies, excluding wind and hail
 21 policies, in such parish, the total number of such policies in effect for the parish over
 22 the year before, as authorized in Subsection A of this Section, shall not apply in St.
 23 Mary Parish and parishes listed in R.S. 40:1730.27(A).

24 * * *

25 Section 3. The provisions of Section 1 of this Act shall be given prospective
 26 application only and shall not affect any action pending or claim arising prior to the effective
 27 date of Section 1 of this Act.

28 Section 4. Section 3 of this Act shall become effective upon signature by the
 29 governor or, if not signed by the governor, upon expiration of the time for bills to become
 30 law without signature by the governor, as provided by Article III, Section 18 of the

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

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____