

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.

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

23 * * *

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

9 * * *

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

26 (2) Upon the failure of any member or subscriber of the association to pay
27 its lawful proportion of the said expenses and the fees due by it, within thirty days
28 after the same is due and payable, the association ~~shall~~ may refuse to furnish its
29 services to the said delinquent and ~~shall~~ may report such delinquency to the

1 commissioner of insurance, who for such delinquency ~~shall~~ may suspend or revoke
2 the license of the delinquent member insurer.

3 * * *

4 Section 2. R.S. 22:1460(D)(3) is hereby repealed in its entirety.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____