

Regular Session, 2010

HOUSE BILL NO. 1326

BY REPRESENTATIVE ARNOLD

INSURANCE/PROPERTY: Provides for depopulation of the Louisiana Citizens Property Insurance Corporation by domestic insurers via reinsurance

1 AN ACT

2 To enact R.S. 22:2314.1, relative to the Louisiana Citizens Property Insurance Corporation;  
3 to authorize a policy take-out program for domestic insurers via reinsurance; and to  
4 provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 22:2314.1 is hereby enacted to read as follows:

7 §2314.1. Additional policy take-out program via reinsurance

8 A. In addition to the policy take-out program authorized by R.S. 22:2314,  
9 but notwithstanding its provisions, in order to facilitate the depopulation of the  
10 corporation's policies and remove this state from the residential and commercial  
11 property insurance business, the corporation is hereby authorized to transfer  
12 residential and commercial property insurance policies to domestic insurance carriers  
13 licensed to write property insurance in this state via reinsurance of those policies to  
14 be taken out of the corporation. The reinsurance may be facilitated by property  
15 insurance companies domiciled in this state and licensed by the Department of  
16 Insurance.

17 B. The purpose of this Section is to depopulate the corporation of as many  
18 property insurance risks as can be transferred via reinsurance. It is the intent of the  
19 legislature that the corporation not compete with the private insurance market in the  
20 state of Louisiana. This Section is designed to facilitate the transfer of risk from the

1        corporation to the voluntary insurance market, and the corporation and the  
2        Department of Insurance are hereby given broad latitude to effectuate these  
3        reinsurance programs with all deliberate speed in order to achieve the intent of this  
4        Section.

---

## DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

---

Arnold

HB No. 1326

**Abstract:** Authorizes the La. Citizens Property Insurance Corporation (La. Citizens) to transfer residential and commercial property insurance policies to domestic insurance carriers licensed to write property insurance in this state via reinsurance.

Proposed law, in addition to the policy take-out program authorized by present law, but notwithstanding its provisions, authorizes La. Citizens to transfer residential and commercial property insurance policies to domestic insurance carriers licensed to write property insurance in this state via reinsurance of those policies to be taken out of the corporation. Provides that the reinsurance may be facilitated by property insurance companies domiciled in this state and licensed by the Department of Insurance (DOI). Specifies that proposed law is designed to facilitate the transfer of risk from La. Citizens to the voluntary insurance market, and that La. Citizens and DOI are hereby given broad latitude to effectuate these reinsurance programs with all deliberate speed in order to achieve the intent of proposed law.

(Adds R.S. 22:2314.1)