

SB 341 -- Redline

Engrossed to Enrolled -- SELF INSURANCE: Provides for the Louisiana Churches and Nonprofit Religious Organizations Self-Insured Fund. (gov sig)

Deletions ~~struck~~ · Insertions underlined

~~SLS 26RS-622 ENGROSSED~~ Regular Session ENROLLED SENATE BILL NO.

341 BY ~~SENATOR~~SENATORS EDMONDS ~~SELF AND INSURANCE~~, HODGES AND REPRESENTATIVES BAMBURG, BAYHAM, GALLE, GLORIOSO, HEBERT, ILLG, MELERINE, MURRAY AND WILDER AN ACT To amend and reenact R.S.

~~Provides~~12:1853, for the introductory paragraph of 1854, 1854(3) and (7), the Louisiana introductory paragraph of 1855(B)(1), 1855(B)(2)(b)(xiii), 1856(A)(3) and Nonprofit(4), Religious and Organizations 1870 Self-Insured and Fund, to enact R.S.

~~(gov~~12:1855(A)(5)(c) sig)~~and AN~~1856(H) ACT To amend and reenact to repeal R.S.

~~12:1853, 12:1855(A)(5)(b) the and introductory 1856(E), paragraph relative of to 1854, 1854(3) and (7), the introductory Louisiana paragraph Churches of 1855(B)(1), 1855(B)(2)(b)(xiii), 1856(A)(3) and (4), Nonprofit and Religious Organizations Self-Insured Fund; to provide for definitions; to provide for 1870 initial and financial to requirements; enact R.S.~~

~~12:1856(H), relative to the provide Louisiana for Churches records and Nonprofit record keeping; Religious Organizations Self-Insured Fund;~~

~~to provide for technical changes by the Louisiana State Law Institute; to provide for an effective definitions; date;~~

~~to provide for initial financial requirements;~~

~~to provide for technical changes by the Louisiana State Law Institute;~~

~~to provide for an effective date;~~

~~12:1853, the introductory paragraph of 1854, 1854(3) and (7), the introductory paragraph of 1855(B)(1), 1855(B)(2)(b)(xiii), 1856(A)(3) and (4), and 1870 are hereby amended and reenacted and R.S.~~

~~12:1856(H) 12:1855(A)(5)(c) and is 1856(H) hereby enacted are hereby enacted: to read as follows:~~

~~regulation A. Two or more churches or nonprofit religious organizations or one or more religious denominations may agree to pool their liabilities for the purposes of providing property commercial coverage for their buildings and other properties, so long as they have a positive net worth, are financially solvent, and are capable of Page assuming the obligations set forth in this Chapter.~~

~~Words which are struck through are deletions from existing law;~~

~~words in boldface type and underscored are additions.~~

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~~341 assuming the obligations set forth in this Chapter.~~

~~B.C. The departments shall promulgate necessary rules in accordance with the Administrative Procedure Act to implement Administrative Procedure Act to implement and regulate the activities authorized in and regulate the activities authorized in this Chapter.~~

~~Definitions Wherever used Page in 1 this Chapter, unless a different meaning clearly appears in the context, the following terms, whether used in the singular or plural, shall have the following meanings For the purposes of this 5 Chapter Coding: the following terms shall have the following meanings:~~

~~Words which are struck through are deletions from existing law;~~

~~words in boldface type and underscored are additions.~~

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~~341 ENROLLED Wherever used in this Chapter, unless a different meaning clearly appears in the context, the following terms, whether used in the singular or plural, shall have the following meanings For the purposes of this Chapter the following terms have the following meanings:~~

~~initial financial requirements *A. * * Page 2 of 6 Coding:~~

~~* * * (5) * * * (c) Except as otherwise provided in Subparagraph (a) of this Paragraph, original books, records, documents, accounts, and vouchers, or reproductions thereof, shall be preserved and kept in this state for the purpose of examination and until the authority to destroy or otherwise dispose of the records is secured from the department. All original records or certified reproductions or records originally received in a digital or electronic format shall be maintained for the period commencing on the first day following the last period examined by the department through the subsequent examination period, or five years, Page 2 of 5 Coding:~~

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~~341 B.(1) ENROLLED The whichever fund is shall longer. submit to the department an application, on an application form prescribed and furnished by the department, for authority to act as a group self-~~

~~insurance fund for property commercial coverage.~~

~~Each* application* shall* includeB.(1) evidenceThe offund shall submit to the fund'sdepartment inception,an whichapplication, establisheson financialan strengthapplication andliquidityofthememberstopayclaimspromptlyandsupportthefinancialabilityform ofthefundtosatisfyitsobligationsupontheestablishmentofthefund,includingallprescribed ofand thefurnished following:bythe department, for authority to act as a group self-insurance fund for property commercial coverage.~~

Each application shall include evidence of the fund's inception, which establishes financial strength andliquidityofthememberstopayclaimspromptlyandsupportthefinancialability ofthefundto satisfvits obligations upontheestablishmentofthefund,includingall of the following:

* * * (xiii) Proof of advance A pledge to make an advance payment to the fund by each initial member of the fund of not less than twenty-five percent of that member's first year estimated annually earned normal premiums prior to the fund providingcoverage.Ifthefundprovidescoveragepriortoeveryinitialmember of the fund making the advance payment pledged pursuant to this Item, the commissionershallsuspendthefund'scertificateorauthorityuntileveryinitial member of the fund has made ~~their~~his pledged advance payment, and the commissioner may take additional regulatory action as authorized in this Chapter.

~~refunds A.A.The fund established pursuant to this Chapter shall complywith all ofthe following items: The* fund* established* pursuantPage to3 thisof Chapter5 shallCoding: -complywith all ofthe following items:-~~

~~* * * (3) Provide property commercial coverage as required bythis Chapter.~~

~~Page 3 of 6 Coding:-~~

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~~341 (4)(a)ENROLLED Maintain,(3) onProvide aproperty fund-yearcommercial basis,coverage a contract or contracts of specific excess insurance or reinsurance of not less than an amount that is actuariallysound andapprovedbythedeptment.Themaximumretentionundertheexcessinsurance or reinsurance contracts shall not exceed amounts as mayrequired bobythis providedChapter. -authorized by the department.~~

(4)(a) Maintain, on a fund-year basis, a contract or contracts of specific excess insurance or reinsurance of not less than an amount that is actuariallysound andapprovedbythedeptment.Themaximumretentionundertheexcessinsurance or reinsurance contracts shall not exceed amounts as may be provided authorized by the department.

~~22:651 through 661, andFinancialAccountingStandard Number113aspromulgatedandupdatedbytheNumber 113aspromulgatedandupdatedbythe~~ Financial Accounting Standards Board.

~~Jurisdiction A.Exceptas otherwiseotherwiseprovided provided-in Subsection B of this Section, ThetheThe Nineteenththe JudicialDistrictCourtNineteenthJudicial DistrictCourt~~ shall haveexclusivejurisdiction overanycivil or criminal proceeding instituted pursuant to this Chapter.

~~B.Thefundandamemberofthefundmaycontractuallyagree,through Page 4 of 65 Coding:~~

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~~341 ENROLLED~~ apolicyofinsuranceorotherwise, toresolveaclaimdisputethroughmediation pursuant to the Louisiana Mediation Act, R.S.

~~TheR.S. Louisiana State Law Institute, pursuant to its statutory authority, is hereby directed to change "property coverage" to "commercial coverage" in Chapter 28 of Part IV of Title 12.~~

12:1855(A)(5)(b) and 1856(E) are herebyrepealed.

The Louisiana State Law Institute, pursuant to its statutory authority, is hereby directed to change "property coverage" to "commercial coverage" in Chapter 28 of Title 12 of the Louisiana Revised Statutes of 1950.

Section 4.

~~If vetoed bythe governorand subsequentlyapprovedsubsequentlyapprovedbythe-bythe~~ legislature, this Act shall become effective on the dayfollowing such approval.

~~ThePRESIDENT originalOF instrumentTHE andSENATE theSPEAKER followingOF digest,THE whichHOUSE constitutesOF noREPRESENTATIVES partGOVERNOR ofOF theTHE legislativeSTATE instrument,OF wereLOUISIANA preparedAPPROVED: -bySenate Legislative Services.~~

~~ThePage keyword,5 summary, and digest do not constitute part of the5 lawCoding: -or proof or indicia of legislative intent.~~

~~[R.S.~~

~~1:13(B) and 24:177(E)] DIGEST SB 341 Engrossed 2026 Regular Session Edmonds Present law allows churches and nonprofit religious organizations to form self-insurance pools for property insurance through the Louisiana Churches and Nonprofit Religious Organizations Self-Insured Fund (the fund). Proposedlawallowsself-insurancepoolsforcommercialcoverageanddefines"commercial coverage".~~

~~Proposed law allows churches and nonprofit religious organizations to also form self-insurance pools for other types of risk with approval of the commissioner of insurance.~~

~~Present law provides for a written application to the Department of Insurance(department) to form a self-insurance fund.~~

~~Requires that the application contain proof of advance payment to the fund by each initial member of the fund of not less than twenty-five percent of that member's first year estimated annual normal premiums. Proposed law retains present law except requires proof through a pledge to make advance payment prior to the fund providing coverage.~~

~~Further authorizes the commissioner to suspend the funds' certificate or authority until every initial member of the fund has made their pledge advance payment and allows the commissioner to take additional regulatory action.~~

~~Present law sets forth certain requirements for the fund and provides that the fund maintain a contract or contracts of specific excess insurance and reinsurance of not less than an amount that is actuarially sound and approved by the department.~~

~~Proposed law requires the members of the fund establish and maintain an aggregate loss fund or a stop loss provision as part of the excess insurance policy placements in an amount~~ Page 5 of 6 Coding:

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~~341 equivalent to not more than one year's premium for each risk underwritten.~~

~~Further requires the trust fund for each risk underwritten to maintain a cash reserve, sufficient to cover payment of the entire aggregate loss fund, for each coverage year.~~

~~Present law grants exclusive jurisdiction over any proceeding instituted under present law to the 19th JDC.~~

~~Proposed law retains present law and further allows the fund and a member of the fund to resolve a claim dispute through mediation or appraisal process.~~

~~Effective upon signature of the governor or lapse of time for gubernatorial action.~~

~~(Amends R.S.12:1853, 1854(intro para), (3), and (7), 1855(B)(1)(intro para), (B)(2)(b)(xiii), 1856(A)(3) and (4), and 1870;~~

~~adds R.S.12:1856(H)) Summary of Amendments Adopted by Senate Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the original bill 1.~~

~~Changes the term "property insurance" to "commercial coverage", defines "commercial coverage", and excludes medical payment coverage definition.~~

~~2-~~

~~Requires initial members to pledge and make advance payments prior to the fund providing coverage.~~

~~3-~~

~~Provides that if the fund provides coverage before each initial member of the fund make advanced payment as pledged, the commissioner shall suspend the fund's certificate or authority until all payments are made.~~

~~4-~~

~~Requires members of the fund to establish and maintain an aggregate loss fund or stop loss fund provision in an amount equivalent to one year's premium and maintain a cash reserve to cover the entire aggregate loss fund.~~

~~5-~~

~~Provides for exclusive jurisdiction in the 19th JDC for any proceeding instituted and allow for mediation or appraisal to settle claim disputes.~~

~~6-~~

~~Makes technical changes.~~

~~Page 6 of 6 Coding:~~