

**CONFERENCE COMMITTEE REPORT**  
**Senate Bill No. 204 By Senator Morrish**

June 4, 2012

To the Honorable President and Members of the Senate and to the Honorable Speaker and Members of the House of Representatives.

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning Senate Bill No. 204 by Senator Morrish, recommend the following concerning the Engrossed bill:

1. That the House Floor Amendment Nos. 1 and 2 proposed by Representative Gregory Cromer and adopted by the House of Representatives on May 31, 2012 be rejected.
2. That the House Floor Amendments Nos. 1, 2, 3, and 4 proposed by Representative Sam Jones and adopted by the House of Representatives on May 31, 2012 be rejected.
3. That the following amendments to the engrossed bill be adopted:

AMENDMENT NO. 1

On page 1, line 2, between "R.S. 13:4581" and the comma "," insert "and R.S. 22:2203(D)(1)" and delete "bonds;" and insert "exemptions applicable to the Louisiana Citizens Property Insurance Corporation;"

AMENDMENT NO. 2

On page 1, line 3, delete "Louisiana Citizens Property Insurance Corporation" and insert "the corporation" and after "bond;" insert "to provide an exemption relative to rates charged by the corporation;"

AMENDMENT NO. 3

On page 1, after line 17, insert the following:  
"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 justified rates or (b) the highest rates charged among assessable insurers that have a minimum of two percent of the total direct written premium in each respective parish for that line of business in the preceding year, or, with respect to personal lines property insurance, excluding wind and hail policies, only, (c) the highest rates charged among assessable insurers in each respective parish which in the preceding year increased by at least twenty-five additional personal lines property insurance policies, excluding wind and hail policies, in such parish, the total number of such policies in effect for the parish over the year before, in any noncompetitive market unless competition resumes. If the corporation is writing more than fifty percent of the residential property insurance business in a market, including wind- and hail-only coverages, the board of directors shall report that fact to the commissioner of insurance. Notwithstanding any other provision of law to the contrary, until August 15, ~~2011~~ **2015**, regardless of whether a competitive market may exist, the ten percent rate in excess of the higher of (a) the actuarially justified rate or (b) the

highest rates charged among assessable insurers that have a minimum of two percent of the total direct written premium in each respective parish for that line of business in the preceding year, or, with respect to personal lines property insurance, excluding wind and hail policies, only, (c) the highest rates charged among assessable insurers in each respective parish which in the preceding year increased by at least twenty-five additional personal lines property insurance policies, excluding wind and hail policies, in such parish, the total number of such policies in effect for the parish over the year before, as authorized in Subsection A of this Section, shall not apply in St. Mary Parish and parishes listed in R.S. 40:1730.27(A).

\* \* \*

AMENDMENT NO. 4

On page 2, delete lines 1 and 2 in their entirety and in lieu thereof insert the following:

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

Section 4. Section 3 of this Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval."

Respectfully submitted,

Senators:

Representatives:

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Senator Dan "Blade" Morrish

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Representative Jeffery "Jeff" J. Arnold

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Senator Edwin R. Murray

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Representative Gregory Cromer

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Senator Karen Carter Peterson

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Representative Sam Jones

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The legislative instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Cheryl Horne.

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CONFERENCE COMMITTEE REPORT DIGEST

Senate Bill No. 204 by Senator Morrish

**Keyword and summary of the bill as proposed by the Conference Committee**

INSURERS. To provide exemptions applicable to Louisiana Citizens Insurance Corporation. (8/1/12) (gov sig)

**Report rejects House amendments which would have:**

1. Made technical changes.
2. Required any rate filing by Louisiana Citizens Corporation that would result in a premium increase in excess of 15% over the previous year for any parish to be phased in over a period of years that would reduce the increase to an amount that is no higher than 10% per year.

**Report amends the bill to:**

1. Extend until August 15, 2015, the provisions in present law with regard to rate increase exemptions for certain coastal parishes.

**Digest of the bill as proposed by the Conference Committee**

Present law (R.S. 22:2291 et seq.) provides for the La. Citizens Property Insurance Corporation, a nonprofit corporation created for the purposes of discharging certain state obligations.

Present law (R.S. 13:4581) provides that the state, state agencies, political subdivisions, parishes, certain municipal boards or commissions, sheriffs, sheriffs' departments, and law enforcement districts, the La. Insurance Guaranty Association, and the Patient's Compensation Fund are not required to furnish any bond in any judicial proceedings arising from activities within the scope and course of their duties and employment.

Proposed law retains present law and adds La. Citizens Property Insurance Corporation to the exemption.

Proposed law shall be given prospective application and shall not affect any action pending or claim arising prior to the effective date of proposed law.

Present law provides that until August 15, 2011, the 10% rate in excess of the higher of (a) the actuarially justified rate or (b) the highest rates charged among assessable insurers that have a minimum of two percent of the total direct written premium in each respective parish for that line of business in the preceding year, or, with respect to personal lines property insurance, excluding wind and hail policies, only, (c) the highest rates charged among assessable insurers in each respective parish which in the preceding year increased by at least twenty-five additional personal lines property insurance policies, excluding wind and hail policies, in such parish, the total number of such policies in effect for the parish over the year before, as authorized in present law shall not apply in St. Mary Parish and parishes listed in present law.

Proposed law extends the date from August 15, 2011 to August 15, 2015 for the exemption to rates, rating plans and rate rules for St. Mary Parish and other parishes listed in present law.

Effective August 1, 2012.

Effective upon signature of the governor or lapse of time for gubernatorial action.  
(Amends R.S. 13:4581 and R.S. 22:2303(D)(1))