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ATTORNEYS AT LAW

INSURE LOUISIANA INCENTIVE PROGRAM
SECOND PUBLIC OFFERING

In 2007, the Louisiana Department of Insurance (the "Department") issued a public invitation for insurance companies to participate in the *Insure Louisiana Incentive Program* (the "Incentive Program"), a \$100 million incentive program created by the Louisiana Legislature to encourage the availability and affordability of insurance for residential and commercial properties in Louisiana.

By encouraging insurance companies doing business in Louisiana to participate and to grow their property insurance business, and by attracting new insurance companies to the Louisiana property insurance market, the Incentive Program is intended to give Louisiana residents more access to affordable property insurance by not only increasing the availability of property insurance from various insurers, but also by decreasing insurance rates because of competitive market forces.

The deadline for submissions to participate in the first public offering was November 1, 2007, and a number of insurers successfully applied for grants at that time.

Significantly, however, a second *Public Invitation Request for Applications to the Insurer Louisiana Incentive Program* has been issued as of February 4, 2008. Our information is that there is still \$71 million available for distribution to qualifying insurers under the Incentive Program.

Insurance companies meeting certain minimum solvency requirements and other qualifications may apply for grants of \$2 million to \$10 million from the Incentive Program. The applicants must make a capital commitment, at least equal to the amount of the grant, to write property insurance for residential, commercial, mono-line, or package property insurance policies in Louisiana, and such policies must include coverage for wind and hail. Additionally, for every \$1 of capital that insurers receive from the Incentive Program, they must write at least \$2 in new premiums. Other restrictions and qualifications may be applicable, including a requirement that at least 50% of the new coverage written must be sold in 37 parishes specifically designated by the Department as having the greatest need.

The deadline for submission of applications is 4:30 PM CST, March 4, 2008, by certified mail return receipt requested, or commercial interstate carrier.

Any company not currently licensed to write property insurance in Louisiana may apply for participation in the program conditioned on the submission of a simultaneous application for authority to write the eligible lines of business.

For more information, including application forms and Department contact information, as well as details on the application process for an insurer to write a new line of business in Louisiana, please contact Van R. Mayhall, Jr., Breazeale, Sachse & Wilson, LLP, (225) 381-8009, vrm@bswllp.com; or Van R. Mayhall, III, Breazeale, Sachse & Wilson, LLP, (225) 381-3169, vm@bswllp.com. Additionally, more information is available on the Louisiana Department of Insurance website, <http://www.lidi.la.gov>.



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Van R. Mayhall, Jr., immediate past Chair of the Executive Committee, practices primarily in the areas of business transactions, tax and securities matters, insurance regulatory matters, and selected litigation.