

# PROGRAM DIVISION BULLETIN

2007-30

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## LA CPIC 2008 Emergency Assessment Rate

The Louisiana Citizens' Property Insurance Corporation (CPIC) has announced a new surcharge rate for the emergency assessment on residential and commercial property policies, **effective January 1, 2008**.

### 2008 Surcharge Rate; Companies

The LA CPIC surcharge rate will **increase** from 3.6% to **5%**, for the period effective January 1, 2008 through December 31, 2008 for all property business written on admitted paper. [Louisiana Citizens' Memorandum, September 14, 2007]

### Lines of Business; Excluded Lines

As a reminder, the covered business lines subject to the CPIC surcharge are as follows: ASL 1 (fire); ASL 2.1 (allied lines); ASL 4 (homeowners'); ASL 5.1 (commercial multiple peril - non-liability portion); and all mobile home business regardless of premium allocation.

- Pursuant to Insurance Division Directive 198 (8-29-07), the following property programs are excluded from the CPIC surcharge: debit fire; flood insurance; crop insurance; and livestock insurance.

### New Rule Concerning Surcharge Adjustments

Effective January 1, 2008, any change in policyholder premium, such as that resulting from an endorsement, change in coverage or policy cancellation, must be reflected in a pro-rata adjustment to the amount surcharged the policyholder. [2007 House Bill 472] Under previous law, the full CPIC emergency surcharge was earned at policy inception.

- For the policyholder, the emergency surcharge is due and payable in full at policy inception or renewal.

The Coverall system will be updated and you will be advised in the release notes.

If you have any questions, please contact your Program Manager.

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