

SENATE BILL NO. 677

BY SENATOR HEBERT

1 AN ACT

2 To amend and reenact R.S. 22:598(11), 692(3), and 703(K), relative to financial solvency
3 and reporting requirements; to provide for investments of domestic insurers; to
4 provide for investments in electronic data processing equipment; to provide
5 definitions; to provide for a disclaimer of affiliation; and to provide for related
6 matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:598(11), 692(3), and 703(K) are hereby amended and reenacted
9 to read as follows:

10 §598. Admitted assets

11 For the purposes of this Subpart, the following assets, if owned by a domestic
12 insurer, shall be known as admitted assets:

13 * * *

14 (11) Electronic ~~and mechanical machines~~ constituting a data processing
15 **equipment as defined by the NAIC Accounting Practices and Procedures**
16 **Manual** and accounting system, if the cost of such system is at least ten thousand
17 dollars, ~~which costs shall be amortized in full over a period not to exceed ten~~
18 ~~calendar years. The book value of the apparatus and equipment shall not exceed two~~
19 ~~percent of the admitted assets of the insurer.~~

20 * * *

1 §692. Definitions

2 As used in this Subpart, the following terms shall have the respective
3 meanings hereinafter set forth, unless the context shall otherwise require:

4 * * *

5 (3) "Control" means the possession, direct or indirect, of the power to direct
6 or cause the direction of the management and policies of a person, whether through
7 the ownership of voting securities, by contract other than a commercial contract for
8 goods or nonmanagement services, or otherwise, unless the power is the result of an
9 official position with or corporate office held by the person. Control shall be
10 presumed to exist if any person, directly or indirectly, owns, controls, holds with the
11 power to vote, or holds proxies representing ten percent or more of the voting
12 securities of any other person. This presumption may be rebutted by a showing ~~made~~
13 ~~in the manner provided by R.S. 22:703(K)~~ that control does not exist in fact. The
14 commissioner may determine, after furnishing all persons in interest notice and
15 opportunity to be heard and making specific findings of fact to support such
16 determination, that control exists in fact, notwithstanding the absence of a
17 presumption to that effect.

18 * * *

19 §703. Registration of insurers

20 * * *

21 K. Disclaimer. Any person may file with the commissioner a disclaimer of
22 affiliation with any authorized insurer, or such a disclaimer may be filed by such
23 insurer or any member of an insurance holding company system. The disclaimer
24 shall fully disclose all material relationships and bases for affiliation between such
25 person and such insurer as well as the basis for disclaiming such affiliation. After a
26 disclaimer has been filed, the insurer shall be relieved of any duty to register or
27 report under this Section which may arise out of the insurer's relationship with such
28 person unless and until the commissioner disallows such a disclaimer. **The person**
29 **filing such a disclaimer shall notify the commissioner of any material change to**
30 **the affiliations and relationships as reported in the disclaimer within thirty days**

