

Prior law required vehicle mechanical breakdown insurers be licensed by the commissioner of insurance, but did not require vehicle mechanical breakdown insurers to notify the commissioner of insurance of any changes in their corporate structure.

New law requires vehicle mechanical breakdown insurers licensed in La. to notify the commissioner of insurance within 60 days of any changes in their corporate structure. Such changes include but are not limited to:

- (1) Changes in officers or directors.
- (2) Changes in ownership.
- (3) Change in articles of incorporation.
- (4) A merger.
- (5) An addition or change of a trade name or "d/b/a".
- (6) Cessation of business in the state.

Prior law provided that the commissioner could suspend or revoke the license required of vehicle mechanical breakdown insurers under certain conditions.

New law provides that the commissioner may levy a fine not to exceed \$1,000 rather than suspend or revoke the license.

New law authorizes disciplinary action if a vehicle mechanical breakdown insurer fails to comply with any existing law provision or lawful order of the commissioner.

New law grants a 90-day grace period for reinstatement of a vehicle mechanical breakdown insurer's license when the insurer fails to timely pay the annual renewal fee or file the annual audited financial statement.

Effective Aug. 1, 2014.

(Amends R.S. 22:369(A)(intro. para.); Adds R.S. 22:362(C), 369(A)(5), and 369.1)