

2016 Regular Session

SENATE BILL NO. 199

BY SENATOR GATTI

INSURERS. Provides for prior approval by the commissioner of insurance for the merger of a domestic insurer or health maintenance organization. (8/1/16)

AN ACT

To enact R.S. 22:76 and 264.1, relative to the mergers of domestic insurers and health maintenance organizations; to provide for approval by the commissioner of insurance prior to the merger of a domestic insurer or health maintenance organization with any other person; to provide for the written request for approval; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:76 and 264.1 are hereby enacted to read as follows:

§76. Prior approval required for merger of domestic insurer

No domestic insurer shall merge with another person without the prior approval of the commissioner, who may grant such approval upon written request of a domestic insurer. The request shall include the articles or plan of merger, a pro-forma consolidated financial statement for the merging entities, and other information as the commissioner may require to determine that the merger is not detrimental to the policyholders or to the financial solvency of the insurer. If the merger may result in a change of control of a domestic insurer, the requirements of this Section may be consolidated with those of R.S.

1 22:691.4.

2 * * *

3 §264.1. Prior approval required for merger of domestic health maintenance
 4 organization

5 No domestic health maintenance organization shall merge with another
 6 person without the prior approval of the commissioner, who may grant such
 7 approval upon written request of a domestic health maintenance organization.
 8 The request shall include the articles or plan of merger, a pro-forma
 9 consolidated financial statement for the merging entities, and such other
 10 information as the commissioner may require to determine that the merger is
 11 not detrimental to the enrollees or to the financial solvency of the health
 12 maintenance organization. If the merger may result in a change of control of a
 13 domestic health maintenance organization, the requirements of this Section may
 14 be consolidated with those of R.S. 22:691.4.

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

DIGEST

SB 199 Engrossed

2016 Regular Session

Gatti

Proposed law requires a domestic insurer or a domestic health maintenance organization to obtain the approval of the commissioner prior to any merger. Further requires a domestic insurer or a health maintenance organization to submit a written approval request that includes the articles or plan of merger, a pro-forma consolidated financial statement for the merging entities, and other information the commissioner may require to determine that the merger is not detrimental to the policyholders, enrollees or to the financial solvency of the domestic insurer or domestic health maintenance organization.

Effective August 1, 2016.

(Adds R.S. 22:76 and 264.1)