

SENATE BILL NO. 143

BY SENATOR HENRY

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

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AN ACT

To enact R.S. 22:41.3(F) and (G) and 337(F) and (G), relative to licensing of certain insurers; to provide certain requirements for letters of no objection; to provide certain requirements for certificates of authority; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:41.3(F) and (G) and 337(F) and (G) are hereby enacted to read as follows:

§41.3. Requirements for officers and directors of domestic regulated entities

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F.(1) Except as provided in Paragraph (2) of this Subsection, the commissioner shall refuse to issue or rescind a letter of no objection as provided in Paragraph (C)(1) of this Section, if he finds that the person served as an officer, director, or person with direct or indirect control over the selection or appointment of an officer or director through contract, trust, or by operation of law of an insurer doing business in this state, and the person served in that capacity within the two-year period prior to the date the insurer became

1 insolvent, unless the person demonstrates that his personal actions and
 2 omissions were not a significant contributing cause to the insolvency, as
 3 determined by the commissioner.

4 (2) The commissioner may issue a letter of no objection to a former
 5 officer, director, or person with direct or indirect control over the selection or
 6 appointment of an officer or director of an insurer that became insolvent
 7 provided at least five years have passed from the date the insurer became
 8 insolvent.

9 G. For the purpose of this Section, "personal action" means any breach
 10 of the responsibilities, obligations, or duties imposed upon a person by virtue of
 11 his position.

12 * * *

13 §337. Refusal, suspension, and revocation of certificate of authority

14 * * *

15 F.(1) Except as provided in Paragraph (2) of this Subsection, the
 16 commissioner shall refuse to issue, suspend, or revoke the certificate of
 17 authority of a foreign or alien insurer if he finds that a person is serving as an
 18 officer, director, or person with direct or indirect control over the selection or
 19 appointment of an officer or director through contract, trust, or by operation
 20 of law of an insurer doing business in this state, and the person served in that
 21 capacity within the two-year period prior to the date the insurer became
 22 insolvent, unless the person demonstrates that his personal actions and
 23 omissions were not a significant contributing cause to the insurer's insolvency,
 24 as determined by the commissioner.

25 (2) The commissioner may issue a certificate of authority to a foreign or
 26 alien insurer that has a person serving as an officer, director, or person with
 27 direct or indirect control over the selection or appointment of an officer or
 28 director, and such person previously served in that capacity for an insurer that
 29 became insolvent, and at least five years have passed from the date the insurer
 30 became insolvent.

1 **G. For the purpose of this Section, "personal action" means any breach**
2 **of the responsibilities, obligations, or duties imposed upon a person by virtue of**
3 **his position.**

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____