Existing law provides that the Patient's Compensation Fund Oversight Board may enter into a cooperative agreement with the state treasurer to invest monies or develop an investment policy and credit any income from those investments to the fund.

New law provides that in addition to a cooperative agreement with the state treasurer, the board may invest monies, in accordance with new law, which are not required for the payment of 1½ times the current fiscal year of budgeted expenditures.

New law makes the prudent man rule applicable in the investing of fund monies which requires the board and each member to act with the same care, skill, prudence, and diligence a prudent institutional investor acting in a like capacity would use. The rule is not applied in isolation, but as an overall investment strategy. New law also requires an asset allocation study and diversification in investments.

New law grants the board authority to hire a chief investment officer and delegate certain investment duties to him.

New law requires the board to report semiannually to the House Committee on Civil Law and Procedure and the Senate Committee on Judiciary A. Requires investment performance reports to be provided to the board at least annually and to be in compliance with the current Performance Presentation Standards as published by the Association for Investment Management and Research.

New law requires consultants and money managers to fully disclose any conflicts of interest to the board and provides penalties for the failure to do so.

Effective August 15, 2011.

(Amends R.S. 40:1299.44(A)(1)(b); Adds R.S. 40:1299.44(D)(2)(b)(xvi) and 1299.44.1)