

Regular Session, 2012

HOUSE BILL NO. 193

BY REPRESENTATIVE REYNOLDS

INSURANCE COMMISSIONER: Provides relative to compensation of personnel employed by the commissioner of insurance to conduct examinations of insurers

1 AN ACT

2 To amend and reenact R.S. 22:1986, relative to examinations of insurers by the
3 commissioner of insurance; to provide with respect to the compensation of personnel
4 employed by the commissioner of insurance to conduct such examinations; to delete
5 provisions relative to the disposition of such monies; and to provide for related
6 matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:1986 is hereby amended and reenacted to read as follows:

9 §1986. Authority to employ examiners and other assistants

10 ~~A.~~ The commissioner of insurance shall employ such examiners, auditors,
11 accountants, actuaries, attorneys, and clerical or other assistants as are necessary to
12 conduct the examination and to compile and prepare a report thereon, and the
13 compensation for such examination shall be fixed according to the time actually
14 devoted to the work of conducting the examination and compiling the report thereon
15 as now required by law. Such compensation shall always be reasonable and
16 commensurate with the value of the services performed.

17 ~~B. Personnel conducting an examination for financial condition shall be~~
18 ~~compensated for each day worked at rates no less than the rates provided in the~~
19 ~~procedural manual of the National Association of Insurance Commissioners or the~~
20 ~~rates applicable to such personnel under the state civil service pay schedule;~~

1 ~~whichever is greater. The chief examiner shall be compensated on the basis of one~~
 2 ~~hundred fifteen percent of the insurance examiner in-charge CFE. The assistant~~
 3 ~~chief examiner shall be compensated on the basis of one hundred ten percent of the~~
 4 ~~insurance examiner in-charge CFE.~~

5 ~~C. Upon completion of the examination of any insurer or at stated periods~~
 6 ~~during such examinations, the commissioner of insurance shall forward to the insurer~~
 7 ~~a statement showing the amount of expenses incurred in such examination to the date~~
 8 ~~of such statement. Whereupon, the insurer shall pay the amount so shown to the~~
 9 ~~commissioner of insurance. Upon receipt of such payment the commissioner of~~
 10 ~~insurance shall deposit same in an account styled "commissioner of insurance,~~
 11 ~~revolving fund account", and withdrawals from said account shall be made by the~~
 12 ~~commissioner of insurance for the purpose of payment to examiners, auditors,~~
 13 ~~accountants, actuaries, attorneys, and clerical or other assistants of their salaries and~~
 14 ~~necessary expenses incurred in the conduction of such examination.~~

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Reynolds

HB No. 193

Abstract: Provides relative to compensation of personnel employed by the commissioner of insurance to conduct examinations of insurers, including deleting provisions relative to disposition of such monies.

Proposed law changes present law relative to compensation of personnel employed by the commissioner of insurance to conduct examinations of insurers, as follows:

- (1) Present law requires the commissioner of insurance to employ such examiners, auditors, accountants, actuaries, attorneys, and clerical or other assistants as are necessary to conduct the examination and to compile a report. Sets the compensation for the examination according to the time actually devoted to the work of conducting it and compiling the report. Requires that the compensation always be reasonable and commensurate with the value of the services performed.

Proposed law retains present law.

- (2) Present law requires that personnel conducting an examination for financial condition be compensated for each day worked at rates no less than the rates provided in the procedural manual of the National Association of Insurance Commissioners (NAIC) or the rates applicable to such personnel under the state civil service pay schedule, whichever is greater. Requires that the chief examiner be

compensated on the basis of 115% of the insurance examiner in-charge Chief Financial Examiner (CFE) and that the assistant chief examiner be compensated on the basis of 110% of the insurance examiner in-charge CFE.

Proposed law deletes present law.

- (3) Present law requires that, upon completion of the examination of any insurer or at stated periods during the examination, the commissioner of insurance forward to the insurer a statement showing the amount of expenses incurred in the examination to the date of the statement, and that the insurer pay that amount to the commissioner. Requires the commissioner of insurance, upon receipt, to deposit the amount in an account named the "commissioner of insurance, revolving fund account". Provides that withdrawals from the account shall be made by the commissioner for the purpose of payment to examiners, auditors, accountants, actuaries, attorneys, and clerical or other assistants of their salaries and necessary expenses incurred in the conduct of the examination.

Proposed law deletes present law.

(Amends R.S. 22:1986)