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DIGEST

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SB 216 Reengrossed

2015 Regular Session

Morrish

Present law requires the Dept. of Insurance to be comprised of the office of the commissioner, the office of management and finance, the office of property and casualty, the office of licensing and compliance, the office of financial solvency, the office of consumer advocacy, the office of health insurance, the division of insurance fraud, the division of legal services, the division of public affairs, the division of minority affairs, and any other office or division that may be included in present law.

Proposed law changes the office of health insurance to the office of health, life, and annuity, the office of licensing and compliance to the office of licensing, the office of consumer advocacy to the office of consumer advocacy and diversity, and the division of minority affairs to the division of diversity and opportunity. Adds the office of consumer services.

Present law provides for the functions and duties of the division of minority affairs which include the requirement to develop a pilot program that seeks to address the needs and concerns of minority and women producers in the state. Further authorizes the division of minority affairs to conduct a survey of insurance companies doing business in this state in order to seek information and data relative to the policies and practices of hiring of and contracting with minorities.

Proposed law deletes the requirement for the pilot program; otherwise transfers the functions and duties of the division of minority affairs to the division of diversity and opportunity.

Proposed law requires the division of diversity and opportunity to review all complaints alleging a violation of the provisions of present law with regard to equal opportunity in insurance. Further requires the division of diversity and opportunity to notify an insurer against whom a complaint was filed of the nature of the complaint and provide the insurer with the opportunity to make a written explanation.

Proposed law requires the division of diversity and opportunity to report apparent violations of present law to the commissioner who may commence enforcement proceedings in accordance with present law.

Present law creates the Advisory Committee on Equal Opportunity within the office of minority affairs with various functions, including assisting the commissioner and the division of minority affairs in establishing educational and informational services to foster a greater awareness of the opportunities available in the insurance industry and of the skills, training, and education necessary to prepare for opportunities in employment, appointment as producers, and contracting for services with insurance companies transacting business in this state. Requires the commissioner to promulgate rules and regulations to implement present law.

Proposed law places the Advisory Committee on Equal Opportunity within the division of diversity and opportunity.

Present law creates a deputy commissioner of minority affairs appointed by the commissioner who serves at the pleasure of the commissioner at a salary fixed by the commissioner and requires Senate confirmation of the appointment.

Proposed law creates an assistant commissioner of diversity and opportunity who serves at the pleasure of the commissioner at a salary fixed by the commissioner, which shall not exceed the amount approved for the position by the legislature.

Proposed law creates the division of consumer services under the direction of the deputy commissioner of consumer services. Provides that the duties and functions of the division and the deputy commissioner, including the receipt and processing of consumer complaints, market conduct analysis and examination, and such additional duties and functions as are assigned by the commissioner.

Proposed law creates the office of health, life and annuity with the responsibility for the development and administration of health insurance pilot programs, research and development of rules and regulations to implement health insurance reform legislation, research and development of health insurance reform measures that broaden the availability of health insurance coverage in the state, liaison activities for DOI with other state and national agencies for policy on health insurance, preparation of proposed health insurance reform legislation by the department; general research and implementation issues concerning health insurance policy, approval of life and annuity form filings, and additional duties and functions as assigned by the commissioner.

Present law provides for the office of consumer advocacy in the department which is under the direction of the deputy commissioner for consumer advocacy who is appointed by the commissioner with advice and concurrence of the Senate and House committees on insurance.

Proposed law instead provides for an office of consumer advocacy and diversity under the direction of a deputy secretary who meets all the requirements of present law. Additionally requires that the salary of the deputy commissioner for consumer advocacy and diversity not exceed the amount approved for the position by the legislature.

Present law permits the deputy commissioner for consumer advocacy to be terminated without cause shown. Further requires a written report of termination to be compiled by the commissioner and delivered to the clerk of the House of Representatives and the secretary of the Senate at least ten days before the termination.

Proposed law makes these provisions applicable to the deputy commissioner for consumer advocacy and diversity. Additionally, requires the deputy commissioner for consumer advocacy and diversity to be responsible for the functions of the division of diversity and opportunity within the department.

Present law provides for the La. Insurance Guaranty Assn. (LIGA), with the functions of providing for the payment of covered claims under certain insurance policies with a minimum delay and a minimum financial loss to claimants or policyholders due to the insolvency of an insurer, providing financial assistance to member insurers under rehabilitation or liquidation, and providing a mechanism to assess the cost of such operations among insurers. Further authorizes LIGA to refund to its member insurers in proportion to the contribution of each member insurer to LIGA that amount by which the assets of the LIGA exceed the liabilities, if, at the end of any calendar year, the board of directors finds that the assets of LIGA exceed the liabilities of LIGA as estimated by the board of directors for the coming year.

Proposed law provides that with respect to state fiscal year 2014-2015, LIGA is authorized to make a one-time transfer to the state general fund of the amount of such excess as determined by the board of directors. Specifically states that this one-time authorization is not intended to create any right or interest of the state in and to LIGA's funds, and that the legislature hereby affirms its intent that LIGA monies may not be considered part of the general fund of the state other than monies subject to the one-time transfer hereby authorized.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 22:3, 31(A)(intro. para.) and (B), 32(A)(1)(intro. para.) and (B), 33(A)(intro. para.), and 2058(B)(6) and R.S. 36:681(C)(1), 687, 691.1, 692, 694, and 696(A), (B)(1)(b), (C), and (D); Adds R.S. 22:31(C) and (D) and R.S. 36:696(E); Repeals R.S. 22:31(A)(6) and 32(C) and (D) and R.S. 36:696(B)(1)(e))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original bill

1. Changes the division of minority affairs to the division of diversity and opportunity.
2. Changes the office of consumer advocacy to the office of consumer advocacy and diversity.
3. Creates the position of an assistant commissioner of diversity and opportunity.
4. Makes technical changes.

Senate Floor Amendments to engrossed bill

1. Makes Legislative Bureau technical changes.

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the reengrossed bill:

1. Make technical changes.
2. Add provisions relative to transfer of funds from the La. Insurance Guaranty Assn. to the state general fund.