

RÉSUMÉ DIGEST

ACT 340 (HB 511)

2015 Regular Session

Seabaugh

Existing law provides that in connection with matters involving rehabilitation, liquidation, or conservation of domestic insurers in receivership, the commissioner of insurance (commissioner) has the power to appoint special deputies, clerks, or assistants. The compensation of such individuals is fixed. Associated expenses are required to be approved by the commissioner and the court and are to be paid out of the funds or assets of the insurer.

New law adds attorneys to the list of individuals the commissioner can appoint.

Prior law mandated representation of the commissioner by the attorney general in connection with matters involving rehabilitation, liquidation, or conservation of domestic insurers in receivership.

New law provides that the commissioner may employ staff counsel of the Dept. of Insurance or special counsel to provide representation in all matters in which the assets of an insurer's estate are less than \$1 million. The special counsel appointed by the commissioner are subject to approval by the attorney general. The fees and expenses of staff or special counsel may be reimbursed upon approval by the commissioner and the court and paid from the funds or assets of the insurer.

New law continues to mandate representation of the commissioner by the attorney general in matters in which the insurer's assets equal or exceed \$1 million. Further provides that the attorney general may appoint special counsel to provide this representation. Requires the attorney to submit a certification of expenses and legal fees for staff and special counsel to be paid out of the funds or assets of the insurer.

Prior law provided that the court distribute any surplus found to exist after payment in full of all allowed claims.

New law provides that the commissioner shall distribute any surplus subject to approval by the court.

Provides that the new law is to be given retroactive application to pending proceedings.

Effective upon signature of governor (June 29, 2015).

(Amends R.S. 22:2018 and 2034(G))