State of Louisiana

BOBBY JINDAL
GOVERNOR

Post Office Box 94004
Baton Rouge, LA 70804-9004

OFFICE OF THE GOVERNOR

June 19, 2015

The Honorable Alfred Speer
Clerk of the House of Representatives
State Capitol
Baton Rouge, LA 70802

Re: House Bill No. 370 by Representative Chris Broadwater

Dear Mr. Speer:

House Bill No. 370 would establish the Group Benefits Actuarial Committee. The specified committee membership is comprised of the commissioner of insurance, or his designee, the state treasurer, or his designee, and the legislative auditor, or his designee, but provides for no membership or representation from the Office of Group Benefits, nor does it require any actuarial analysis expertise on the part of the members, who are clearly vested with final and ultimate rate setting authority.

This structure creates a rate setting process that would leave state employees and agencies exposed to the possibility of future non-actuarially sound and/or politically driven premium rate determinations. This process would also remove the existing legislative oversight that exists via the executive budget approval process as the Office of Group Benefits would be required to implement the premium rates approved only by the committee. Furthermore, I have already signed SB No. 260 by Senators Broome and Claitor which creates a more appropriate premium rate analyses model with accurate stakeholder representation and maintains the existing legislative oversight structure. Specifically, SB 260 creates the Group Benefits Estimating Conference comprised of members from both the legislative and executive branches and requires the commissioner of administration to use the information developed by the Group Benefits Estimating Conference in the development of premium rates.

For these reasons, I have vetoed House Bill No. 370 and hereby return it to the House of Representatives.

Sincerely,

Bobby Jindal
Governor

RECEIVED
JUN 19 2015
House of Representatives
Clerk's Office

cc: Honorable Glenn Koepp