

RÉSUMÉ DIGEST

ACT 14 (HB 179)

2021 Regular Session

Firmment

New law defines "director", "domestic regulated entity", "officer", and "trustee" for the purposes of new law.

New law provides that a person serving as an officer, director, or trustee of a domestic regulated entity shall within 30 days of election or appointment submit a request to the commissioner of insurance for a letter of no objection containing all of the following:

- (1) Biographical and other information as the commissioner may require to ensure sufficient competence, experience, and integrity to protect the interests of the policyholders or members of the domestic regulated entity and the public.
- (2) A statement from the domestic regulated entity indicating the position of which the person has been elected, appointed, or otherwise chosen.
- (3) A sworn statement from the person confirming the absence of any conflicts of interest upon assuming the position or the disclosure in writing of any conflicts of interest to the domestic regulated entity and the receipt in writing of their waiver by the domestic regulated entity.
- (4) A true copy of the acceptance of trust, oath of office, or other such document signed by the person, which includes a sworn statement that the person agrees to abide by and direct the activities of the domestic regulated entity in compliance with applicable laws and regulations.

New law provides that the commissioner may refuse to issue or rescind a letter of no objection if he finds any of the following:

- (1) The competence, experience, or integrity of the person is not sufficient to allow the person to serve in the proposed position.
- (2) The person has been convicted, entered a plea of guilty or nolo contendere, or participated in a pretrial diversion program for a felony or misdemeanor involving moral turpitude or public corruption or a felony involving dishonesty or breach of trust.
- (3) The person knowingly makes a materially false statement or omits material information in his request for a letter of no objection.
- (4) The person fails to provide information that the commissioner requires to evaluate the person's competence, experience, and integrity.

New law provides that the commissioner may waive the submission of a biographic affidavit, third-party background verification, and fingerprint card if either of the following occurs:

- (1) The person is currently serving as an officer, director, or trustee and has served in that capacity for five consecutive years.
- (2) The person has received a letter of no objection from the commissioner within one year of being elected or appointed and attested that no material change has occurred in the information submitted in support of that request.

New law provides that a person may not serve as an officer, director, or trustee of a domestic regulated entity if the person fails to submit information to the commissioner necessary to obtain a letter of no objection or if the commissioner refuses to issue or rescinds a letter of no objection for the person.

New law provides that a domestic regulated entity may not retain a person as an officer, director, or trustee of a domestic regulated entity if the person fails to submit information to the commissioner necessary to obtain a letter of no objection or if the commissioner refuses to issue or rescinds a letter of no objection for the person.

Effective August 1, 2021.

(Adds R.S. 22:41.3)