

---

## 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)]

---

HB 472 Original

2018 Regular Session

Thibaut

**Abstract:** Creates the La. Health Reinsurance Association.

Proposed law sets forth legislative findings and the purpose of proposed law.

Proposed law defines "association member", "group market", "individual market", "major medical insurance", and "marketplace".

Proposed law establishes the La. Health Reinsurance Association and provides for the legal domicile of the association, supervision by the commissioner of insurance, financial duties and powers, and meeting requirements.

Proposed law provides that the board of directors of the association shall consist of one representative appointed by the commissioner, who shall be a resident of the state of La., and six members serving terms as established in the bylaws. Proposed law further provides for the qualifications of the six members to be elected.

Proposed law provides for the filling of vacancies on the board, regular elections of board members, reimbursement for reasonable expenses, and authority of the board.

Proposed law provides for the powers and duties of the association and establishes venue for a suit against the association.

Proposed law requires the board of directors, for the purposes of providing the funds necessary to carry out the powers and duties of the association, to formally advise the commissioner of the frequency and amount of any proposed fee assessment. Proposed law further requires the commissioner, upon determination that the advice of the board is reasonable and necessary, to promulgate the fee assessment.

Proposed law provides that the purpose of the assessment is to provide reinsurance to association members in the individual market.

Proposed law provides for the maximum fee assessment amount, the procedures for payment or payment in protest of the fee assessment, and the revocation of a fee assessment.

Proposed law provides for the powers of the commissioner of insurance including sanctioning an association member and the suspension or revocation of an association member's authority to do

business in this state for failure to pay a fee assessment.

Proposed law provides for the interim powers of the commissioner of insurance prior to establishment of the association and the election of the board of directors.

Proposed law exempts the association from payment of state fees and taxes.

Proposed law provides for limited liability for actions performed pursuant to proposed law.

Proposed law authorizes any association member required to pay a fee assessment, if the association member has not accounted for the fee assessment in its rate assumptions or contracted terms for any calendar or plan year, to increase premiums, or administrative fees in the case of a third-party administrator, during the plan or policy year in direct proportion of the cost of the fee assessment to the association member.

Proposed law establishes a public records exception for documents containing proprietary or trade secret information of the association members.

Present law exempts health care sharing ministries from all provisions of the insurance laws of this state unless expressly provided for in the provisions or unless the provision is specifically made applicable by present law.

Proposed law retains present law and requires health care sharing ministries, for the purposes of effectuating membership in the La. Health Reinsurance Association and the fee assessment authorized in proposed law, to register with the commissioner of insurance no later than 60 days from the effective date of proposed law.

Proposed law prohibits a fee or other cost from being charged by the commissioner for the registration of health care sharing ministries.

Present law defines third-party administrators and provides exceptions to the definition.

Proposed law retains present law but repeals the exception for a person who acts solely as an administrator of one or more bona fide employee benefit plans established by an employer or an employee organization, or both, for which the insurance laws of this state are preempted pursuant to federal law.

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

(Amends R.S. 22:319 and R.S. 44:4.1(B)(11); Adds R.S. 22:2455-2466; Repeals R.S. 22:1641(1)(j))