

2018 Regular Session

HOUSE BILL NO. 366

BY REPRESENTATIVE JORDAN

INSURANCE: Provides relative to nonprofit funeral service associations

1 AN ACT

2 To amend and reenact R.S. 22:200(A) and 213(B), relative to nonprofit funeral service
3 associations; to provide for the qualifications of the board of directors; to authorize
4 rehabilitation of an association; to make technical changes; to provide for an
5 effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:200(A) and 213(B) are hereby amended and reenacted to read as
8 follows:

9 §200. Directors

10 A. Subject to ~~such~~ any limitations, restrictions, or reservations ~~as may be~~
11 provided for in the articles, the bylaws, or this Subpart, all of the corporate powers
12 shall be vested in and the affairs of the association shall be managed by a board of
13 not less than three nor more than fifteen directors ~~who shall be policyholders in good~~
14 ~~standing.~~

15 * * *

16 §213. Liquidation; rehabilitation

17 * * *

18 B. Whenever it appears to the commissioner ~~of insurance~~ that any
19 association is failing to comply with the provisions of this Subpart or its articles or
20 bylaws in any respect, he shall immediately notify the officers of the association to

1 that effect, specifying in what respects it is claimed that the association is failing to
 2 comply and if after such notice the association persists in the violations of the
 3 provisions hereof, the commissioner ~~of insurance shall~~ may proceed to apply for
 4 rehabilitation or liquidation of the association in accordance with R.S. 22:73, 96,
 5 Subpart H of Part III of this Chapter, R.S. 22:731 et seq., and Chapter 9 of this Title,
 6 R.S. 22:2001 et seq.

7 Section 2. This Act shall become effective upon signature by the governor or, if not
 8 signed by the governor, upon expiration of the time for bills to become law without signature
 9 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 10 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 11 effective on the day following such approval.

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 366 Engrossed

2018 Regular Session

Jordan

Abstract: Provides for the qualifications of the board of directors of nonprofit funeral service associations and authorizes the rehabilitation of an association.

Present law requires all of the corporate powers of a nonprofit funeral service association, subject to any limitations, restrictions, or reservations provided for in the articles, the bylaws, or present law, to be vested in and the affairs of the association to be managed by a board of not less than three nor more than fifteen directors who shall be policyholders in good standing.

Proposed law repeals the requirement that the board members be policyholders.

Present law requires the commissioner of insurance, whenever any nonprofit funeral service association fails to comply with present law or its articles or bylaws in any respect, to immediately notify the officers of the association to that effect, specifying in what respects the association is failing to comply and, if after such notice the association continues to be noncompliant, to apply for liquidation of the association.

Proposed law changes the requirement for the commissioner to apply for liquidation to an authorization to apply for rehabilitation or liquidation.

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

(Amends R.S. 22:200(A) and 213(B))