

2021 Regular Session

HOUSE BILL NO. 236

BY REPRESENTATIVE EMERSON

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

INSURERS/GUARANTY ASSNS: Provides relative to Louisiana Life and Health Insurance Guaranty Association Law

1 AN ACT

2 To amend and reenact R.S. 22:2084(6) and (7) and 2099, relative to the Louisiana Life and  
3 Health Insurance Guaranty Association; to remove past date references; to modify  
4 relative to prospective application; to provide for an effective date; and to provide  
5 for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:2084(6) and (7) and 2099 are hereby amended and reenacted to  
8 read as follows:

9 §2084. Definitions

10 As used in this Part:

11 \* \* \*

12 (6) "Impaired insurer" means a member insurer which, ~~after August 1, 2018,~~  
13 is not an insolvent insurer; and is placed under an order of rehabilitation or  
14 conservation by a court of competent jurisdiction.

15 (7) "Insolvent insurer" means a member insurer which, ~~after August 1, 2018,~~  
16 is placed under an order by a court of competent jurisdiction with a finding of  
17 insolvency.

18 \* \* \*

1 §2099. Prospective application

2 A. This Part ~~shall~~ does not apply to any member insurer meeting either of the  
3 following criteria:

4 (1) Any insurer, other than a health maintenance organization described in  
5 Paragraph (2) of this Subsection, or its subsidiary, or an insurance holding company  
6 system or its directly or indirectly related agent, affiliate, or other entity that is  
7 insolvent, ~~or~~ impaired, or unable to fulfill its contractual obligations before ~~August~~  
8 ~~1, 2018~~ September 30, 1991.

9 (2) Any health maintenance organization that is insolvent, impaired, or  
10 unable to fulfill its contractual obligations before August 1, 2018.

11 B. The provisions of this Part effective on September 30, 1991, and  
12 subsequent amendments thereto apply prospectively from their effective dates and  
13 govern liability for assessments, offsets, refunds, and any other matters relating to  
14 all member insurers not identified in Subsection A of this Section.

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

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#### 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)]

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HB 236 Engrossed

2021 Regular Session

Emerson

**Abstract:** Relative to the La. Life and Health Insurance Guaranty Association, removes past dates and expands the exception relative to prospective application.

Proposed law removes past date references from certain present law definitions.

Present law (R.S. 22:2099) provides an exception that present law (R.S. 22:2081 et seq.) does not apply to any member insurer that is insolvent, impaired, or unable to fulfill its contractual obligations. Proposed law retains present law and extends the exception to the following:

(1) Any subsidiary of an insurer and an insurance holding company system or its directly or indirectly related agent, affiliate, or other entity unable to fulfill its contractual obligations before Sept. 30, 1991.

(2) Any health maintenance organization unable to fulfill its contractual obligations before Aug. 1, 2018.

Proposed law specifies that present and proposed law (R.S. 22:2099), including provisions thereof that became effective on Sept. 30, 1991 and all subsequent amendments apply prospectively to govern liability for assessments, offsets, refunds, and other matters relating to insurers not specified in proposed law (R.S. 22:2099(A)).

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

(Amends R.S. 22:2084(6) and (7) and 2099)

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Specify that present and proposed law (R.S. 22:2099), including provisions thereof that became effective on Sept. 30, 1991 and all subsequent amendments apply prospectively to govern liability for assessments, offsets, refunds, and other matters relating to insurers not specified in proposed law (R.S. 22:2099(A)).
2. Make technical changes.