
DIGEST

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HB 715 Engrossed

2022 Regular Session

Green

Abstract: Provides for the Insurance Holding Company System Regulatory Law.

Proposed law defines "group capital calculation instructions", "NAIC liquidity stress test framework", and "scope criteria".

Present law provides that certain information does not need to be disclosed on the registration statement filed pursuant to present law if the information is not material to the purposes of present law.

Proposed law provides that present law does not apply for the purposes of the group capital calculation or the liquidity stress test framework.

Proposed law provides that the ultimate controlling person of every insurer subject to registration shall file an annual group capital calculation.

Proposed law provides that certain insurance holding companies are exempt from filing the group capital calculation.

Proposed law provides that the ultimate controlling person of every insurer subject to registration and scoped into the NAIC liquidity stress test shall file the results of the test.

Proposed law provides that insurers meeting at least one threshold of the scope criteria are considered scoped into the NAIC liquidity stress test framework for the specified data year, unless the lead state insurance commissioner, in consultation with the NAIC Financial Stability Task Force or its successor, determines the insurer should not be scoped into the Framework for that data year.

Present law provides for violations of present law and incorporation by reference. Proposed law retains and redesignates present law.

Proposed law provides certain standards that must be met for transactions with an insurance holding company system to which an insurer subject to registration is a party to the transaction.

Proposed law provides that any affiliate that is party to an agreement or contract with a domestic insurer shall be subject to the jurisdiction of any supervision, seizure, conservatorship, or receivership proceedings against the insurer.

Proposed law provides that certain documents, materials, and other information in the possession of the La. Department of Insurance shall be recognized as proprietary information, containing trade secrets.

Proposed law provides that the commissioner of insurance shall maintain the confidentiality of the group capital calculation and the liquidity stress test results and its supporting documents received from insurers.

Proposed law provides that the commissioner may share certain proprietary information and trade secret documents with other state, federal, and international law enforcement authorities.

Proposed law provides that the commissioner may receive proprietary and trade secret information from certain sources.

Proposed law provides that the commissioner may enter into written agreements with the NAIC, and any third-party consultants designated by the commissioner, governing the sharing and use of certain information.

Proposed law prohibits the disclosure of insurers' group capital calculation, group capital ratio, and liquidity stress test results, except as to rectify a misrepresentation of such data, if the sole purpose of the disclosure is to rebut a materially false statement regarding the data.

(Amends R.S. 22:691.2(intro. para.), 691.6(D), (M), and (N), and 691.10(A), (C)(1), (3), (4), and (F); Adds R.S. 22:691.2(13)-(15), 691.6(O) and (P), 691.7(A)(1)(g)-(i) and (6), and 691.10(G))

Summary of Amendments Adopted by House

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

1. Make technical changes.