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 DIGEST

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SB 143 Engrossed

2023 Regular Session

Henry

Present law authorizes the commissioner of insurance (commissioner) to refuse to issue or rescind a letter of no objection if he finds the officer or director does not meet certain requirements provided by present law.

Proposed law retains present law.

Proposed law requires the commissioner to refuse or rescind a letter of no objection if the person was a former officer, director, or had direct or indirect control over selecting or appointing an officer or director through contract, trust, or by operation of law of an insurer doing business in this state and the person served in that capacity within a 2-year period before the insurer went insolvent, unless the person can demonstrate to the commissioner that his personal actions and omissions were not a significant contributing cause of the insurer's insolvency.

Proposed law authorizes the commissioner to issue a certificate of authority to a foreign or alien insurer if the person formerly served in the capacity listed in proposed law, and if at least 5 years have passed since the date of the insurer's insolvency.

Proposed law defines a "personal action".

Present law authorizes the commissioner to suspend or revoke a foreign or alien insurer if certain legal requirements have not been met.

Proposed law retains present law.

Proposed law requires the commissioner to refuse to issue, suspend, or revoke the certificate of authority if a person is serving as an officer, director, or had direct or indirect control over selecting or appointing an officer or director through contract, trust, or by operation of law of an insurer doing business in this state and the person served in that capacity within a 2-year period before the insurer went insolvent, unless the person can demonstrate to the commissioner that his personal actions and omissions were not a significant contributing cause of the insurer's insolvency.

Proposed law authorizes the commissioner to provide a certificate of authority to a foreign or alien insurer who has a person serving as an officer, director, or person with direct or indirect control over the selection or appointment of an officer or director, and such person previously served in that capacity for an insurer that became insolvent, and at least 5 years have passed from the date the insurer became insolvent.

Effective Aug. 1, 2023.

(Adds R.S. 22:41.3(F) and (G) and 337(F) and (G))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original bill

1. Removes actions ministerial in nature or based on apparent lawful orders given to an individual by the board of directors or other person having

authority to direct one's action or provide legal advice as an exception to the definition of "personal action".

2. Makes technical changes.

Summary of Amendments Adopted by House

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

1. Clarify with respect to the commissioner's authority to provide a certificate of authority to a foreign or alien insurer who has a person serving as an officer, director, or person with direct or indirect control over the selection or appointment of an officer or director, and such person previously served in that capacity for an insurer that became insolvent, and at least 5 years have passed from the date the insurer became insolvent.
2. Make technical changes.