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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Amanda Trapp.

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DIGEST

SB 219 Reengrossed

2024 Regular Session

McMath

Present law requires a mutual insurer seeking to reorganize to submit a proposed plan of reorganization to the commissioner of insurance (commissioner) that contains certain information.

Proposed law requires mutual health insurers to disclose whether the proposed reorganization is being pursued in conjunction with a proposed acquisition.

Present law requires the commissioner to hold a public hearing regarding the plan of reorganization and authorizes the commissioner to conduct certain analysis at the reorganizing mutual's expense.

Proposed law requires the commissioner to conduct financial and market analysis reviews if the mutual health insurer is pursuing a proposed reorganization in conjunction with a reorganizing mutual that transacts health insurance in this state. Proposed law requires the commissioner to include an independent expert with experience valuing similar companies and transactions.

Proposed law requires the commissioner to publish the findings from the review on the Department of Insurance's website prior to the public hearing and for the reorganizing mutual to include the findings on its website along with the notice of public hearing.

Present law requires a plan of reorganization to be approved by not less than two-thirds of qualified voters and authorizes the voters to be represented by special ballot or special proxy.

Proposed law provides voting requirements for qualified voters of a plan of reorganization.

Proposed law prohibits any special ballot or special proxy to be distributed prior to the date of the public hearing.

Proposed law requires the reorganizing mutual to obtain prior approval from the department of any advertising used in public media or directed to qualified voters to ensure the information is not false, deceptive, or misleading.

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

(Amends R.S. 22:236.2(E), 22:236.4(D), 236.5(A), 237.4(E), 237.6(D), and 237.7(A); adds R.S. 22:236.2(B)(5), 236.5(F), 237.4(B)(5), and 237.7(F))

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Make technical changes.
2. Adds requirement that a financial and market analysis of a mutual plan or reorganization be conducted by an independent valuation expert that has experience with valuing similar companies and transactions.
3. Requires a reorganizing mutual to publish the commissioners reviews and findings.
4. Requires a proposed acquisition to disclose if the reorganizing mutual is authorized to transact health insurance in this state.
5. Provides voting requirements for qualified voters of a plan of reorganization.
6. Requires the reorganizing mutual to obtain prior approval from the department of any advertising used in public media or directed to qualified voters to ensure the information is not false, deceptive, or misleading.