

**CONFERENCE COMMITTEE REPORT
Senate Bill No. 101 By Senator Johns**

June 3, 2013

To the Honorable President and Members of the Senate and to the Honorable Speaker and Members of the House of Representatives.

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning Senate Bill No. 101 by Senator Johns, recommend the following concerning the Reengrossed bill:

1. That Legislative Bureau Amendments Nos. 1 through 19 proposed by the Legislative Bureau and adopted by the House of Representatives on May 16, 2013, be adopted.
2. That House Floor Amendments Nos. 1 and 2 proposed by Representative Huval and adopted by the House of Representatives on May 28, 2013, be adopted.
3. That House Floor Amendment No. 3 proposed by Representative Huval and adopted by the House of Representatives on May 28, 2013, be rejected.
4. That the following amendment to the reengrossed bill be adopted:

AMENDMENT NO. 1

On page 25, between lines 3 and 4, insert the following:

"(5) The commissioner shall have the authority to promulgate rules and regulations to register and regulate health insurance navigators that receive funding or certification from any state or federal governmental agency. Implementation of any rule or regulation relative to health insurance navigators shall be subject to legislative oversight by the House and Senate committees on insurance pursuant to the Administrative Procedure Act, R.S. 49:968 et seq. The House and Senate committees on insurance, meeting jointly, shall conduct a hearing to review any proposed rules and regulations and determine whether the rules or regulations are acceptable or unacceptable. No rule or regulation promulgated pursuant to this Paragraph shall become effective before the required hearing to determine acceptability has been conducted."

Respectfully submitted,

Senators:

Representatives:

Senator Sharon Weston Broome

Representative George Gregory Cromer

Senator Ronnie Johns

Representative Mike Huval

Senator Dan "Blade" Morrish

Representative Major Thibaut, Jr.

The legislative instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Cheryl Horne.

CONFERENCE COMMITTEE REPORT DIGEST

Senate Bill No. 101 by Senator Johns

Keyword and summary of the bill as proposed by the Conference Committee

KEYWORD. LIFE INSURANCE. Provides with respect to life insurance reserves. (1/1/14)

Report adopts House amendments to:

1. Make technical changes.

Report rejects House amendments which would have:

1. Authorized the commissioner to promulgate rules and regulations to register and regulate navigators that receive funding or certification from any state or federal governmental agency.

Report amends the bill to:

1. Authorize the commissioner to promulgate rules and regulations to register and regulate navigators that receive funding or certification from any state or federal governmental agency. Requires oversight by the House and Senate committees on insurance, meeting jointly, pursuant to the Administrative Procedure Act.

Digest of the bill as proposed by the Conference Committee

Present law requires the commissioner to annually value, or cause to be valued, the reserve liabilities of all outstanding life insurance contracts, annuity and pure endowment contracts, accident and health contracts, and deposit-type contracts of every company. Provides that the valuation method is rule and formula-based.

Proposed law requires the valuation method to be principles-based in accordance with a valuation manual approved by the National Association of Insurance Commissioners (NAIC) for all policies issued on or after the operative date of the valuation manual.

Present law sets standards for actuarial opinions of reserves.

Proposed law retains present law and requires every company with outstanding life insurance contracts, accident and health insurance contracts, or deposit-type contracts to annually submit the opinion of the appointed actuary as to whether the reserves are computed appropriately, are based on assumptions that satisfy contractual provisions, are consistent with prior reported amounts, and comply with the laws of the state. Requires that each opinion of the appointed actuary issued on or after the operative date of the valuation manual meet specified requirements.

Present law provides for the determination of minimum reserves through a system of rules and formulas.

Proposed law retains present law and provides for principle-based reserve valuations for policies after the operative date of the valuation manual. Provides for alternative methods of valuation for policies not subject to principle-based valuation pursuant to the valuation manual. Provides for submission of mortality, morbidity, policyholder behavior, or expense experience and other data as prescribed by the valuation manual for all policies in force on or after the operative date of the valuation manual.

Proposed law provides relative to a privilege for, and the confidentiality of, confidential information used valuation. Authorizes the commissioner to enter into agreements governing

the sharing and use of information under proposed law including the authority to promulgate rules and regulations to register and regulate navigators that receive funding or certification from any state or federal governmental agency. Requires the House and Senate committees on insurance, meeting jointly, to conduct oversight authority of the rules and regulations pursuant to the Administrative Procedure Act.

Present law permits ordinary life mortality tables, adopted after 1980 by the NAIC that are approved by the commissioner for use in determining the minimum nonforfeiture standard to be substituted for the Commissioner's 1980 Standard Ordinary Mortality Table with or without Ten-Year Select Mortality Factors or for the Commissioner's 1980 Extended Term Insurance Table.

Proposed law retains present law and provides that if the commissioner approves by regulation any commissioners' standard ordinary mortality table adopted by the NAIC for use in determining the minimum nonforfeiture standard for policies issued on or after the operative date of the valuation manual then that minimum nonforfeiture standard supersedes the minimum nonforfeiture standard provided by the valuation manual for all policies issued on or after the operative date of the valuation manual.

Effective January 1, 2014.

(Amends R.S. 22:752(A) and (D)(intro para), 753(B) and (C), 936(G)(8)(f) and (g) and (9), and 44:4.1(B)(11); adds R.S. 22:752(E) and (F), 753 (D), (E), (F), (G), (H), (I), and (J), and 936(G)(8)(h) and (i) and (J)(7))