

Regular Session, 2014

HOUSE BILL NO. 660

BY REPRESENTATIVE PIERRE

INSURERS: Provides relative to property residual value insurers

1 AN ACT

2 To amend and reenact R.S. 22:382 and 389(A)(introductory paragraph) and to enact R.S.
3 22:389(A)(5) and 389.1, relative to property residual value insurers; to provide that
4 a property residual value insurer shall notify the commissioner of insurance within
5 sixty days of any material change in its ownership, control, or other circumstance
6 affecting its qualifications for a license; to permit the commissioner of insurance to
7 levy a fine; to authorize the commissioner to levy a fine, suspend, or revoke a license
8 under certain circumstances; to provide for reinstatement of license for failure to pay
9 the annual license renewal fee; to provide for reinstatement of license for failure to
10 file the annual audited financial statement; and to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 22:382 and 389(A)(introductory paragraph) are hereby amended and
13 reenacted and R.S. 22:389(A)(5) and 389.1 are enacted to read as follows:

14 §382. License required of property residual value insurer; notice of material change
15 required

16 A. No person shall act as or attempt to act as a property residual value
17 insurer unless licensed to do so by the commissioner. Each application shall be
18 submitted to the commissioner along with the fee for such license in the amount of
19 one thousand five hundred dollars. Licenses shall be renewed annually upon payment
20 of a fee of one thousand five hundred dollars, which shall be paid no later than
21 March fifteenth of each year.

1 B. A licensee shall notify the commissioner within sixty days of any material
2 change in its ownership, control, or other fact or circumstance affecting its
3 qualification for a license in this state. Material changes shall include but are not
4 limited to the following:

- 5 (1) Changes in officers or directors.
- 6 (2) Changes in ownership.
- 7 (3) Change in articles of incorporation.
- 8 (4) A merger.
- 9 (5) An addition or change of a trade name or "d/b/a".
- 10 (6) Cessation of business in Louisiana.

11 * * *

12 §389. Revocation or suspension of license; fine

13 A. The commissioner may levy a fine not to exceed one thousand dollars per
14 violation or revoke or suspend any license required by this Subpart in accordance
15 and compliance with R.S. 49:961. ~~Any license issued under the provisions of this~~
16 ~~Subpart shall be revoked or suspended for the following causes:~~ for any of the
17 following:

18 * * *

19 (5) If the insurer fails to comply with any provision of this Subpart or a
20 lawful order of the commissioner.

21 * * *

22 §389.1. Reinstatement of license

23 A. A property residual value insurer whose license has been suspended for
24 failure to pay the annual renewal fee required by R.S. 22:382 shall have his license
25 reinstated if the annual renewal fee is paid within ninety days of the date of
26 suspension, provided all other requirements of this Subpart have been met.

27 B. A property residual value insurer whose license has been suspended for
28 failure to file the annual audited financial statement required by R.S. 22:386 shall

- 1 have his license reinstated if the annual audited financial statement is filed within
 2 ninety days of the deadline for filing provided in R.S. 22:386.

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)]

Pierre

HB No. 660

Abstract: Requires property residual value insurers to notify the commissioner of insurance of any corporate structure changes within 60 days.

Present law requires property residual value insurers be licensed by the commissioner of insurance but does not require property residual value insurers to notify the commissioner of insurance of any changes in their corporate structure.

Proposed law requires property residual value insurers licensed in La. to notify the commissioner of insurance of any changes in their corporate structure. Such changes include but are not limited to:

- (1) Changes in officers or directors.
- (2) Changes in ownership.
- (3) Change in articles of incorporation.
- (4) A merger.
- (5) An addition or change of a trade name or "d/b/a".
- (6) Cessation of business in La.

Present law provides that the commissioner may suspend or revoke the license of a property residual value insurer.

Proposed law retains present law but also provides that the commissioner may levy a fine not to exceed \$1,000 in lieu of suspending or revoking the license.

Proposed law authorizes disciplinary action if a property residual value insurer fails to comply with any present law provision or lawful order of the commissioner.

Proposed law grants a 90-day grace period for reinstatement of a property residual value insurer's license when the insurer fails to timely pay the annual renewal fee or file the annual audited financial statement.

(Amends R.S. 22:382 and 389(A)(intro. para.); Adds R.S. 22:389(A)(5) and 389.1)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Insurance to the original bill.

1. Specified that the commissioner may levy a fine of up to \$1,000 per violation.

2. Provided that the commissioner may impose a fine, revoke, or suspend a license for failure to comply with any provision of present law or a lawful order of the commissioner.
3. Provided a 90-day grace period for reinstatement of a license suspended for failure to timely pay the annual renewal fee or failure to timely file the annual audited financial statement.
4. Made various technical changes.