

2016 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 132

BY REPRESENTATIVE SEABAUGH

INSURANCE COMMISSIONER: Urges and requests the Department of Insurance to study the issuance of private letter rulings by the commissioner of insurance

1   A CONCURRENT RESOLUTION

2 To urge and request the Department of Insurance to study the issuance of private letter

3           rulings by the commissioner of insurance.

4           WHEREAS, a private letter ruling has been defined as a document that states the

5 intent of a state insurance commissioner to take no enforcement action with respect to an

6 insurer regarding the subject matter of the private letter ruling; and

7           WHEREAS, a private letter ruling is not a statement of general applicability for

8 which promulgation of a rule or regulation is appropriate; and

9           WHEREAS, a private letter ruling is limited in its effect to the matter described in

10 the private letter ruling and has no precedential value; and

11           WHEREAS, only an insurer may request a private letter ruling; and

12           WHEREAS, the Louisiana Department of Insurance is concerned about its ability

13 to issue informal opinions to insurance companies regarding the proposed actions of a

14 particular insurance company based on a specific set of facts presented by the company; and

15           WHEREAS, the authority to issue private letter rulings may allow department

16 regulators to do their jobs more effectively and efficiently by proactively communicating

17 with an insurance company about both proposed action prior to the company's taking action

18 or implementing policies or procedures which could result in regulatory action being

19 initiated against it; and

1           WHEREAS, the issuance of private letter rulings may allow insurance companies  
2 and the Louisiana Department of Insurance to work together to determine whether a  
3 particular company's proposed actions are authorized by the Louisiana Insurance Code; and

4           WHEREAS, such efforts could reduce regulatory uncertainty and unnecessary  
5 regulatory costs that are ultimately passed on to consumers.

6           THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby  
7 urge and request the Department of Insurance to study the issuance of private letter rulings  
8 by the commissioner of insurance.

9           BE IT FURTHER RESOLVED that the Department of Insurance shall submit its  
10 findings from the study in the form of a report to the House Committee on Insurance and  
11 Senate Committee on Insurance on or before January 15, 2017.

12           BE IT FURTHER RESOLVED that such a study include a review of other states to  
13 determine what actions, particularly the consideration or enactment of legislation, have been  
14 taken on this subject by other states.

15           BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the  
16 commissioner of insurance.

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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)]

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HCR 132 Engrossed

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Urges and requests the Department of Insurance to study the issuance of private letter rulings by the commissioner of insurance and to report findings and recommendations to the legislative committees on insurance on or before Jan. 1, 2017.