

2017 Regular Session

HOUSE BILL NO. 378

BY REPRESENTATIVE ANDERS

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

INSURERS/GUARANTY ASSNS: Provides for exclusion from guaranty fund coverage for a person acquiring rights to receive payments through a "structured settlement factoring transaction"

1 AN ACT

2 To amend and reenact R.S. 22:2083(A)(4) and to enact 22:2083(B)(2)(k), relative to the
3 Louisiana Life and Health Insurance Guaranty Association; to exclude a person
4 acquiring rights to receive payments through a "structured settlement factoring
5 transaction" from guaranty fund coverage; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:2083(A)(4) is hereby amended and reenacted and
8 22:2083(B)(2)(k) is hereby enacted to read as follows:

9 §2083. Coverages and limitations

10 A. This Part shall provide coverage for the policies and contracts specified
11 in Subsection B of this Section:

12 * * *

13 (4) This Part shall not provide coverage to:

14 (a) a A person who is a payee or beneficiary of a contract owner resident of
15 this state, if the payee or beneficiary is afforded any coverage by the association of
16 another state.

17 (b) A person who acquires rights to receive payments through a "structured
18 settlement factoring transaction" as defined in 26 U.S.C. 5891(c)(3)(A), regardless
19 of when the transaction occurred.

20 * * *

1 B.

2 * * *

3 (2) This Part shall not provide coverage for:

4 * * *

5 (k) Structured settlement annuity benefits to which a payee or beneficiary
6 has transferred his rights in a "structured settlement factoring transaction" as defined
7 in 26 U.S.C. 5891(c)(3)(A), regardless of when the transaction occurred.

8 * * *

9 Section 2. The provisions of this Act shall be given prospective and retroactive
10 application.

11 Section 3. This Act shall become effective on July 1, 2017.

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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Abstract: Excludes from guaranty fund coverage a person acquiring rights to receive payments through a "structured settlement factoring transaction".

Present law defines "structured settlement annuity" for purposes of the La. Life and Health Insurance Guaranty Association Law and provides for the conditions under which the La. Life and Health Insurance Guaranty Association (LLHIGA) shall cover structured settlements. Present law further provides for the types of policies, contracts, or plans for which LLHIGA shall not provide coverage.

Proposed law retains present law on the types of policies, contracts, or plans excluded from coverage and further excludes structured settlement annuity benefits to which a payee or beneficiary has transferred his or her rights in a "structured settlement factoring transaction" as defined in the Internal Revenue Code.

Proposed law does not apply to structured settlement annuity benefits transferred to children, present or former spouses, or other dependents as part of domestic relations settlements or orders, or to other transferees, including donees, who acquire rights to receive structured settlement annuity benefits without providing any monetary consideration.

Effective July 1, 2017.

(Amends R.S. 22:2083(A)(4); Adds R.S. 22:2083(B)(2)(k))

Summary of Amendments Adopted by House

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

1. Make technical changes.