

2018 Regular Session

HOUSE BILL NO. 607

BY REPRESENTATIVE SEABAUGH

INSURANCE: Provides relative to the commissioner of insurance's examination and investigation authority

1 AN ACT

2 To amend and reenact R.S. 22:1983(E)(2), (G), and (H), 1984(G), and 2191(A)(2), relative
3 to examinations and investigations by the commissioner of insurance; to provide for
4 appellate review of examination reports; to provide for appellate review of certain
5 fines; to provide for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:1983(E)(2), (G), and (H), 1984(G), and 2191(A)(2) are hereby
8 amended and reenacted to read as follows:

9 §1983. Examination reports

10 * * *

11 E. Within thirty days of the end of the period allowed for the receipt of
12 written submissions or rebuttals, as provided for in Subsections B and D of this
13 Section, the commissioner shall fully consider and review the refiled report, together
14 with any written submissions or rebuttals and any relevant portions of the
15 workpapers of the examiner and enter an order either:

16 * * *

17 (2) Rejecting the examination report ~~and ordering a hearing pursuant to the~~
18 ~~provisions of Chapter 12 of this Title, for purposes of obtaining additional~~
19 ~~documentation, data, information, and testimony.~~

20 * * *

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)]

HB 607 Original

2018 Regular Session

Seabaugh

Abstract: Provides for appellate review of certain administrative actions by the commissioner of insurance in the 19th Judicial District Court.

Present law requires the commissioner of insurance to make an examination, at least once every five years, of all insurers doing business in this state and at any other time when the commissioner deems it necessary. Present law further authorizes the commissioner to make an examination of any producer doing business in this state whenever he has received at least three complaints within a 30-day period.

Proposed law retains proposed law.

Present law requires the commissioner of insurance, within 30 days of the end of the period allowed for the receipt of written submissions or rebuttals in response to a filed examination report, to fully consider and review the refiled report, together with any written submissions or rebuttals and any relevant portions of the workpapers of the examiner and enter an order to do either:

- (1) Adopting the examination report as refiled or with modification or corrections.
- (2) Rejecting the examination report and ordering a hearing for purposes of obtaining additional documentation, data, information, and testimony.

Proposed law deletes the option to order an administrative hearing if the examination report is rejected.

Present law authorizes a company, within 30 days of receipt of notification of the decision of the commissioner adopting the examination report, to make written demand for an administrative hearing. Present law further grants any insurer or regulated entity against whom a fine has been levied the right to an administrative hearing.

Proposed law changes the hearing to an appeal to the 19th JDC and requires the court to conduct a review without a jury and by trial de novo, except that if all parties, including the commissioner, so stipulate, the review shall be confined to the record.

Proposed law provides that the filing of an appeal shall stay the application of any rule, regulation, order, or other action of the commissioner to the appealing party unless the court, after giving the party notice and an opportunity to be heard, determines that a stay would be detrimental to the interest of policyholders, shareholders, creditors, or the public.

Present law provides that the administrative hearing shall be a confidential proceeding.

Proposed law provides that the appeal proceeding shall be confidential and all filings in the proceeding shall be sealed.

Effective Jan. 1, 2019.

(Amends R.S. 22:1983(E)(2), (G), and (H), 1984(G), and 2191(A)(2))