

2018 Regular Session

HOUSE BILL NO. 644

BY REPRESENTATIVE PIERRE

INSURANCE: Provides relative to the licensing of third party administrators

1 AN ACT
2 To amend and reenact R.S. 22:1654(A)(introductory paragraph) and (1) and
3 (B)(introductory paragraph) and to enact R.S. 22:1654(B)(8), relative to third party
4 administrator licenses; to authorize the denial of an application for licensure; to
5 authorize the revocation of a license or denial of an application for licensure for
6 providing false information; to make technical changes; and to provide for related
7 matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 22:1654(A)(introductory paragraph) and (1) and (B)(introductory
10 paragraph) are hereby amended and reenacted and R.S. 22:1654(B)(8) is hereby enacted to
11 read as follows:

12 §1654. Grounds for denial, suspension, or revocation of license
13 A. The commissioner shall suspend or revoke the license of an administrator,
14 deny the application for a license, or, in lieu of ~~revocation thereof~~, impose a fine for
15 each separate violation not to exceed five thousand dollars per violation or twenty-
16 five thousand dollars in the aggregate if ~~he~~ the commissioner finds that the
17 administrator:

1 (1) Is using ~~such~~ methods or practices in the conduct of its business ~~so as to~~
2 that render its further transaction of business in this state hazardous or injurious to
3 insured persons or the public.

4 * * *

5 B. The commissioner may suspend or revoke the license of an administrator,
6 deny the application for a license, or, in lieu thereof, impose a fine not to exceed five
7 thousand dollars per violation or twenty-five thousand dollars in the aggregate, if the
8 commissioner finds ~~any of the following as to~~ that the administrator:

9 * * *

10 (8) Has provided incorrect, misleading, incomplete, or materially false
11 information or omitted material information in the license application.

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 644 Original

2018 Regular Session

Pierre

Abstract: Authorizes the denial of an application for licensure as a third party administrator.

Present law requires the commissioner of insurance to suspend or revoke the license of a third party administrator or impose a fine for each separate violation not to exceed \$5,000 per violation or \$25,000 in the aggregate if the commissioner finds that the administrator is using methods or practices in the conduct of business that render the further transaction of business in this state hazardous or injurious to insured persons or the public.

Proposed law retains present law and further requires the commissioner to deny the application for a license on the same basis.

Present law authorizes the commissioner to suspend or revoke the license of a third party administrator or impose a fine not to exceed \$5,000 per violation or \$25,000 in the aggregate if the commissioner finds the administrator has performed certain acts or meets certain criteria.

Proposed law retains present law and authorizes the commissioner to deny the application for a license on the same basis. Proposed law further adds the basis of having provided incorrect, misleading, incomplete or materially false information or omitted material information in the license application.

(Amends R.S. 22:1654(A)(intro. para.) and (1) and (B)(intro. para.); Adds R.S. 22:1654(B)(8))