

RÉSUMÉ DIGEST

HB 607

2018 Regular Session

Seabaugh

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 would have retained 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 of the following:

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

Proposed law would have repealed the authorization to order an administrative hearing if the examination report is rejected but would have added an option for the commissioner to order an investigatory hearing for the purposes of obtaining additional information and would have provided for the hearing procedure.

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 would have changed the hearing to an appeal to the 19th Judicial District Court and would have required 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 would have provided 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 would have provided that the appeal proceeding shall be confidential and all filings in the proceeding shall be sealed.

(Proposed to amend R.S. 22:1983(E)(introductory paragraph) and (2), (G), and (H), 1984(G), and 2191(A)(2); proposed to add R.S. 22:1983(E)(3))

VETO MESSAGE:

"Please be advised that I have vetoed House Bills 607 and 609 by Representative Alan Seabaugh. These two bills provide for unnecessary additional regulations on the insurance industry that may result in additional costs being passed along to policy holders."