

RÉSUMÉ DIGEST

ACT 68 (SB 210)

2022 Regular Session

Stine

Prior law authorized the commission of insurance to refuse, suspend, or revoke the certificate of authority of a foreign or alien insurer if he determines that the insurer:

- (1) Is insolvent.
- (2) Fails to comply with the requirements for admission in respect to capital, contingent liability, the investment of its assets or the maintenance of deposits in this or another state or fails to maintain the surplus which similar domestic insurers transacting the same kind or kinds of business are required to maintain.
- (3) Is in a condition that its further transaction of business in this state would be hazardous to policyholders and creditors in this state and to the public.
- (4) Has refused or neglected to pay a valid final judgment against the insurer within sixty days after the rendition of judgment.
- (5) Has violated any law of this state or has in this state violated its charter or exceeded its corporate powers.
- (6) Has refused to submit its books, papers, accounts, records, or affairs to the reasonable inspection or examination of the commissioner of insurance, his actuaries, supervisors, deputies, or examiners.
- (7) Has an officer who has refused upon reasonable demand to be examined under oath touching its affairs.
- (8) Fails to file its annual statement within 60 days after the date when it is required by law to file a statement.
- (9) Fails to file a copy of an amendment to its charter or articles of incorporation within sixty days after the effective date of the amendment, in accordance with law.
- (10) Fails to file copies of the agreement and certificate of merger and the financial statements of the merged insurers, if required, within 60 days after the effective date of the merger.
- (11) Fails to pay any fees, taxes or charges prescribed by law within 60 days after they are due and payable; however, in case of objection or legal contest the insurer shall not be required to pay the tax until 60 days after final disposition of the objection or legal contest.
- (12) Fails to file any report or reports for the purpose of enabling the commissioner of insurance to compute the taxes to be paid by the insurer within 60 days after the date when it is required by law to file the report or reports.
- (13) Has had its corporate existence dissolved or its certificate of authority revoked or suspended in the state in which it was organized or in any other state in which it is admitted.
- (14) Has had all its risks reinsured in their entirety in another insurer.
- (15) Refuses to remove or discharge a director or officer who has been convicted of any crime involving fraud, dishonesty, or like moral turpitude.
- (16) Is affiliated with and under the same general management, or interlocking directorate, or ownership as another insurer which transacts insurance in this state without having a certificate of authority, except as authorized in the La. Insurance Code.

- (17) Fails to maintain a claims office for processing workers' compensation insurance claims in this state, or to retain the services of a claims adjuster who possesses a Louisiana license.
- (18) Fails to require its producers to maintain licensure as producers as provided by law or by regulation of the Department of Insurance.
- (19) Fails to file required biographical information within 60 days of the appointment of officers and directors appointed after issuance of the certificate of authority.

New law provides that the commissioner may not revoke or suspend the certificate of authority or a foreign or alien insurer under certain specific grounds until the insurer is given at least 30 days notice of the proposed revocation or suspension and of the grounds for it and is afforded the opportunity for a hearing.

Prior law prohibited suspension of the certificate in excess of one year. Provides that if a certificate of authority is suspended, revoked, or refused then the insurer may not be subsequently authorized unless the grounds for its suspension, revocation, or refusal no longer exist and the insurer is otherwise fully qualified.

New law retains these provisions but provides that for violations of prior law the commissioner is authorized to impose a fine not exceeding \$5,000 for each violation or \$25,000 in the aggregate.

Effective August 1, 2022.

(Amends R.S. 22:337(A)(intro para))