

RÉSUMÉ DIGEST

ACT 161 (HB 210)

2022 Regular Session

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Existing law provides that upon the approval of the insurance commissioner (commissioner), a domestic mutual insurance company may reorganize by forming a mutual insurance holding company based upon a mutual plan or by merging its policyholders' membership interests into such a mutual insurance holding company.

Existing law provides that after a public hearing, if satisfied that the interest of the policyholders are properly protected and that the plan of reorganization is fair and equitable to the policyholders, the commissioner shall approve the proposed plan of reorganization and may require modification of the proposed plan as he finds necessary for the protection of the policyholders' interests.

Existing law provides that the commissioner shall retain jurisdiction over a mutual insurance holding company and an intermediate holding company to protect policyholders' interests, and the mutual insurance holding company shall be subject to the requirements of certain enumerated provisions of existing law.

Existing law provides that the commissioner, after a public hearing, may approve a proposed merger, the commissioner may retain consultants, and the merger is subject to certain enumerated provisions of existing law.

Existing law provides that in addition to the limitation on dividends set forth in existing law, any dividends paid by a reorganized insurance company shall be paid to the shareholders of record in an equal amount with respect to each issued and outstanding share.

Existing law provides that an intermediate holding company and a reorganized insurance company may issue stock to any person legally permitted to own stock, provided that the company at all times owns a majority of the voting shares of capital stock.

Existing law provides that if a mutual insurance company complies substantially and in good faith with the notice requirements of certain enumerated provisions of law, the company's failure to give required notice does not impair the validity of actions taken.

Existing law provides procedures for conducting public hearings concerning a plan for reorganization.

Existing law provides that the commissioner shall hold a public hearing to hear evidence relative to certain issues related to a plan of reorganization.

Existing law defines "mutual insurance holding company", "mutual life insurance holding company", and "reorganized insurer".

Existing law provides that every health maintenance organization shall file Holding Company Act filings with the commissioner.

Existing law provides that insurance holding company systems may permit its directors, officers, controlling shareholders, or employees to serve on a title insurer's board of directors.

Existing law provides that insurance holding company systems may appoint its directors, officers, controlling shareholders, or employees to serve on a title insurer's board of directors.

Existing law provides that all provisions of the Insurance Holding Company System Regulatory Law, to the extent they are not superseded by the Business Transacted with Producer Controlled Insurer Law, shall continue to apply to all parties within holding company systems subject to existing law.

Existing law provides that the provisions of existing law (R.S. 22:1564(B)) shall not apply to any producer who is an employee of an insurer or represents, by contractual agreement, only one insurer or a group of affiliated insurers.

Existing law provides that an underwriting manager which, pursuant to contract, manages all insurance operations of the insurer, is under common control with the insurer, is subject to the Insurance Holding Company System Regulatory Law, and whose compensation is not based on the volume of premiums written shall not be considered as a managing general agent.

Existing law provides that an insurance holding company system may appoint an officer, director, employee, subproducer, or controlling shareholder of its managing general agent to its board of directors.

Existing law provides that an underwriting manager which, pursuant to contract, manages all the reinsurance operations of the reinsurer, is under common control with the reinsurer, is subject to the Insurance Holding Company System Regulatory Law, and whose compensation is not based on the volume of premiums written shall not be considered a reinsurance intermediary-manager, with respect to such reinsurer.

Existing law provides that an insurer may not employ an individual who is employed by a reinsurance intermediary-broker with which it transacts business, unless he is under common control with the insurer and subject to the Insurance Holding Company System Regulatory Law.

Existing law provides that a reinsurance intermediary-manager shall not jointly employ an individual who is employed by the reinsurer, unless he is under common control with the reinsurer subject to the Insurance Holding Company System Regulatory Law.

Existing law provides that a reinsurer whose relationship is governed by the Insurance Holding Company System Regulatory Law or, if applicable, the Business Transacted with Producer Controlled Insurer Law may appoint to its board of directors any officer, director, employee, controlling shareholder, or subproducer of its reinsurance intermediary-manager.

New law retains and makes corrective changes to certain internal citation references in existing law.

New law makes technical changes.

(Amends R.S. 22:231, 232.1(B), 232.2(B), 232.3(B) and (D), 232.4(B), 232.7, 232.8, 236(10) and (20), 236.4(A), 237.2(10) and (20), 237.6(A), 252(C)(4), 524(2), 528(1), 553, 1564(B)(3), 1622(4)(b)(iii), 1625(J), 1722(10)(c), 1726(B), 1728(6), and 1729(F))