

2024 Regular Session

SENATE BILL NO. 219

BY SENATOR MCMATH

HEALTH/ACC INSURANCE. Provides relative to conversion requirements for health insurers. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 22:236.4(D) and 236.5(A) and to enact R.S. 22:236.2(B)(5) and
3 236.5(F), relative to mutual insurance companies; to provide for a plan of
4 reorganization; to provide for approval by the commissioner of insurance; to provide
5 for financial and market analysis reviews; to provide for approval of certain
6 marketing activities; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:236.4(D) and 236.5(A) are hereby amended and reenacted and
9 R.S. 22:236.2(B)(5) and 236.5(F) are hereby enacted to read as follows:

10 §236.2. Plan of reorganization

11 * * *

12 B. The plan of reorganization shall:

13 * * *

14 **(5) Disclose whether the proposed reorganization is being pursued in**
15 **conjunction with a proposed acquisition, as defined in R.S. 22:691.5, if the**
16 **reorganizing mutual is authorized to transact health insurance in this state.**

17 * * *

1 §236.4. Approval by commissioner after public hearing

2 * * *

3 D.~~(1)~~ The commissioner may retain at the reorganizing mutual's expense such
4 attorneys, actuaries, accountants, and other experts as may be reasonably necessary
5 to assist the commissioner in his examination of a proposed conversion, including
6 any part of such examination that may occur, at the request of a reorganizing mutual,
7 prior to a plan of reorganization having been filed with the commissioner pursuant
8 to R.S. 22:236.2. Such experts must prepare a projection of the amount of time and
9 expenses necessary to complete the examination, and all work of these experts is
10 subject to review. If the projected amount of time and expenses required to complete
11 the examination appear excessive, the reorganizing mutual may petition the
12 commissioner for appropriate relief, and the commissioner's decision shall be final.

13 (2)(a) If the reorganizing mutual's plan of reorganization includes a
14 disclosure of proposed acquisition, pursuant to R.S. 22:236.2(B)(5), the
15 commissioner shall conduct financial and market analysis reviews of the entity
16 proposing to acquire the reorganizing mutual. The commissioner shall conduct
17 the reviews and publish the findings on the department's website prior to the
18 date of the public hearing required by Subsection A of this Section.

19 (b) The reorganizing mutual shall publish the commissioner's reviews
20 and findings on the reorganizing mutual's website with the notice of public
21 hearing required by Subsection C of this Section.

22 * * *

23 §236.5. Approval by qualified voters

24 A. The plan of reorganization shall be approved at a meeting convened for
25 that purpose by a vote of not less than two-thirds of the qualified voters of the
26 reorganizing mutual entitled to vote on matters and present or represented by special
27 ballot or special proxy. Qualified voters may be represented by special ballot or
28 special proxy. No special ballot or special proxy shall be distributed to qualified
29 voters or accepted by the reorganizing mutual prior to the date of the public

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 22:236.4(D) and 236.5(A); adds R.S. 22:236.2(B)(5) and 236.5(F))