

## RÉSUMÉ DIGEST

**ACT 149 (SB 219)**

**2024 Regular Session**

**McMath**

Existing law requires a mutual insurer seeking to reorganize to submit a proposed plan of reorganization to the commissioner of insurance (commissioner) that contains certain information.

New law adds a requirement for mutual health insurers to disclose whether the proposed reorganization is being pursued in conjunction with a proposed acquisition.

Existing law requires the commissioner to hold a public hearing regarding the plan of reorganization and authorizes the commissioner to conduct certain analysis reviews at the reorganizing mutual's expense.

New law requires the commissioner, prior to a public hearing, to conduct financial and market analysis reviews if the reorganizing mutual is authorized to transact health insurance in La. and the reorganization is being pursued in conjunction with a proposed acquisition. Further requires the commissioner to include a valuation by an independent expert with experience valuing similar companies and transactions. New law does not apply to a mutual health insurance company that has less than 10,000 health insurance policies issued to La. residents.

New law requires the commissioner to publish the findings from the reviews on the Dept. of Insurance's (department) website prior to the public hearing. Further requires the reorganizing mutual to include the findings on its website along with the notice of public hearing. New law does not apply to a mutual health insurance company that has less than 10,000 health insurance policies issued to La. residents.

Existing law requires a plan of reorganization to be approved by not less than two-thirds of qualified voters and authorizes the voters to be represented by special ballot or special proxy.

New law prohibits any special ballot or special proxy from being distributed prior to the date of the public hearing.

New law requires the reorganizing mutual to obtain the department's prior approval of any public advertisements or unsolicited written communications directed to qualified voters to ensure the information is not false, deceptive, or misleading.

Effective May 22, 2024.

(Amends R.S. 22:236.2(E), 236.4(D), 236.5(A), 237.4(E), 237.6(D), and 237.7(A); adds R.S. 22:236.2(B)(5), 236.5(F), 237.4(B)(5), and 237.7(F))