HLS 14RS-1302 ORIGINAL

AN ACT

Regular Session, 2014

HOUSE BILL NO. 647

1

BY REPRESENTATIVE HUNTER

INSURERS: Provides relative to vehicle mechanical breakdown insurers

2 To amend and reenact R.S. 22:369(A)(introductory paragraph) and to enact R.S. 22:362(C), 3 relative to mechanical breakdown insurers; to permit the commissioner of insurance 4 to levy a fine; to provide that mechanical breakdown insurers shall notify the 5 commissioner of insurance within sixty days of any material change in its ownership, 6 control, or other circumstance affecting its qualifications for a license; and to provide 7 for related matters. 8 Be it enacted by the Legislature of Louisiana: 9 Section 1. R.S. 22:369(A)(introductory paragraph) is hereby amended and reenacted 10 and R.S. 22:362(C) is hereby enacted to read as follows: 11 §362. License required of vehicle mechanical breakdown insurer 12 13 C. Every licensee shall notify the commissioner within sixty days of any 14 material change in its ownership, control, or other fact or circumstance affecting its 15 qualification for a license in this state. Material changes shall include but are not 16 limited to the following: 17 (1) Changes in officers or directors. 18 (2) Changes in ownership. 19 (3) Change in articles of incorporation. 20 (4) A merger.

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

(5) An addition or change of a trade name or "d/b/a".

(6) Cessation of business in Louisiana.

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§369. Revocation or suspension of license

A. In accordance and compliance with R.S. 49:961, the commissioner may levy a fine not to exceed one thousand dollars or revoke or suspend any license required by this Subpart should he find any of the following:

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Hunter HB No. 647

Abstract: Requires vehicle mechanical breakdown insurers to notify the commissioner of insurance of any corporate structure changes within 60 days.

<u>Present law</u> requires vehicle mechanical breakdown insurers be licensed by the commissioner of insurance, but does not require vehicle mechanical breakdown insurers to notify the commissioner of insurance of any changes in their corporate structure.

<u>Proposed law</u> requires vehicle mechanical breakdown insurers licensed in La. to notify the commissioner of insurance of any changes in their corporate structure. Such changes include but are not limited to:

- (1) Changes in officers or directors.
- (2) Changes in ownership.
- (3) Change in articles of incorporation.
- (4) A merger.
- (5) An addition or change of a trade name or "d/b/a".
- (6) Cessation of business in the state.

<u>Present law</u> provides that the commissioner may suspend or revoke the license required of vehicle mechanical breakdown insurers under certain conditions.

<u>Proposed law</u> retains <u>present law</u> but provides that the commissioner may levy a fine not to exceed \$1,000 rather than suspend or revoke the license.

(Amends R.S. 22:369(A)(intro. para.); Adds R.S. 22:362(C))