

Existing law requires that property residual value insurers be licensed by the commissioner of insurance. Defines such insurers as those issuing policies whereby a person other than the owner, seller, lessee or lessor of property, either directly or indirectly, assumes the risk of and/or the expenses or portion of such expenses for the residual value of property, including but not limited to auto-gap insurance.

New law additionally requires any property residual value insurer to notify the commissioner of insurance within 60 days of any material change in its ownership, control, or other fact or circumstance affecting its qualification for a license in this state. Specifies that 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 La.

Existing law authorizes the commissioner to suspend or revoke the license of a property residual value insurer for certain enumerated causes.

New law additionally authorizes the commissioner to levy a fine not to exceed \$1,000 in lieu of license suspension or revocation for such causes. Also authorizes such disciplinary actions if a property residual value insurer fails to comply with any provision of existing law, new law, or a lawful order of the commissioner.

Existing law requires an annual license renewal fee of each property residual value insurer, with the renewal fee to be paid to the no later than March 15th of each year. Also requires each property residual value insurer to file an audited financial statement for the immediately preceding year with the commissioner by June 1st of each year.

New law grants a 90-day grace period for reinstatement of a suspended property residual value insurer's license when the insurer fails to timely pay the annual renewal fee or file the annual audited financial statement, so long as all other requirements of existing law or new law are met.

Effective Aug. 1, 2014.

(Amends R.S. 22:382 and 389(A)(intro. para.); Adds R.S. 22:389(A)(5) and 389.1)