

LEGISLATIVE REVIEW

Louisiana Insurers' Conference
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Act 7

- House Bill 75.
- LRS 40:41 currently provides for the issuance of death certificates.
- Act 7 adds a "succession representative" as one of the persons authorized to obtain a death certificate.
- Also authorizes an attorney to obtain a death certificate of a deceased person on whose behalf the attorney is preparing a small succession.
- Effective 8/1/17

Act 9

- HB 233.
- Requires that, in order for a surplus lines insurer to be placed on the list of approved unauthorized insurers, it must provide evidence from its domiciliary jurisdiction showing the types of insurance it may write in that jurisdiction.
- Effective 7/1/17.

Act 10

- House Bill 289.
- Requires each "risk-bearing entity authorized by the commissioner" to provide certain contact information to the LDOI annually, including the name, mailing address, phone number and e-mail address of the person responsible for each of the following:
 - Receipt of and response to consumer complaints.
 - Receipt of rules, regulations and other directives from the LDOI.
 - Receipt and filing of inquiries regarding the financial condition of the entity.
 - Receipt and filing of inquiries regarding tax payments.
 - Any other function the LDOI deems necessary.

Act 10 (CONTINUED)

- Risk-bearing entities must inform the LDOI within 30 days of any change in the requested information.
- Effective 1/1/18.

Act 13

- House Bill 378.
- Current law defines the limited conditions under which the Louisiana Life and Health Insurance Guaranty Association (LLHIGA) provides coverage for "structured settlement annuities."
- Act 13 provides that LLHIGA shall not provide coverage for:
 - Structured settlement annuity benefits to which a payee or beneficiary has transferred his rights in a "structured settlement factoring transaction" as defined in 26 USC 5891(c)(3)(A), regardless of when the transaction occurred.
- Effective 7/1/17.

Act 14

- HB 480.
- Removes the requirement that independent review organizations register with the LDOI every 2 years.
- Allows an IRO to remain registered with the LDOI unless revoked or until it gives notice of its intention to no longer do business.
- Must report any change or loss of accreditation status.
- Effective 8/1/17.

Act 24

- House Bill 35.
- Requires the Firefighters' Retirement System to report disability benefit reductions to workers' compensation payors.
- FRS must identify the name, social security number and the amount of benefit reduction for each affected disability benefit recipient. No later than March 31st of each calendar year.
- Effective 8/1/17.

Act 29

- House Bill 89.
- Current law requires claims adjusters to be licensed by the LDOI, and LRS 22:1622 provides for certain exemptions from this requirement.
- Act 29 adds an additional exemption to the licensing requirement:
 - An individual employed by an insurer who adjusts a loss not to exceed five hundred dollars or authorizes a payment on a claim for which there is a specified coverage limit of five hundred dollars or less, arising from a first-party claim under a property and casualty insurance policy.
- Effective 8/1/17.

Act 61

- HB 392.
- Prohibits insurers from combining a higher classified fire protection area with a lower classified fire protection area for the determination of fire insurance rates for the combined areas.
- Effective 8/1/17.

Act 63

- House Bill 407.
- Current law allows health insurance producers to negotiate charges, fees and any other form of compensation directly with the plan sponsor or employer group for group health and accident insurance policies.
- Act 63 further allows producers to negotiate such compensation directly with the insured for an individual health and accident policy.
- Requires that the expenses and fees charged on an individual health policy must be disclosed to the insured on a separate document signed by the insured.

Act 63 (CONTINUED)

- Producer must also disclose to the insured, on a document to be signed by the insured, that the insured may purchase the same health insurance policy online or by contacting a healthcare navigator and will not incur a fee or expenses.
- Effective 8/1/17.

Act 64

- House Bill 408.
- Current law requires any insurer which issues or delivers property, casualty, accident or health insurance must recognize a producer of record when selected by the owner of the policy or the first-named insured if there are multiple named insureds in writing.
- Under the current law, when an insurer received a producer of record letter for an application, the insurer provided any quotations or proposals to the producer.
- Under Act 64, instead of providing the record containing the quotation or proposal, the insurer must submit a new quotation or proposal to the producer of record as if there were no outstanding proposals.

Act 64 (CONTINUED)

- Current law requires that, if the insurer receives a written request by the insured to change the producer of record, the insurer must give the initial producer of record written notice 15 days in advance of the change or removal.
- Act 64 shortens this requirement to 10 calendar days.
- Effective 8/1/17.

Act 154

- House Bill 503.
- Current law establishes the licensing fees for insurance producers by line.
- Act 154 provides for an "all other lines" category of insurance producers from unifying the fee structure and renewal periods for the following insurance producer licenses:
 - Life, health and annuities.
 - Property and casualty.
 - Limited lines.
 - Limited lines credit insurance.

Act 154 (CONTINUED)

- Current law requires that every member, partner, officer, director and person who controls directly or indirectly 10% or more of a resident or non-resident business entity acting as an insurance producer must be registered with the LDOI under such business entity's license.
- Act 154 removes this requirement for non-resident business entities, providing that non-resident business entities must provide such information to the LDOI upon request.
- Effective 1/1/8.

Act 159

- HB 643.
- Adds the renewal fee for viatical settlement providers to the fee schedule.
- Includes a late fee for claims adjuster license late renewal.
- Effective 7/1/17.

Act 166

- Senate Bill 184.
- Current law requires a person having a claim against LIGA to first exhaust all coverage provided by any other policy, including the right to a defense under the other policy, if the claim under the other policy arises from the same set of facts, injury, or loss giving rise to the covered claim against LIGA.
- Act 166 amends the current law to provide that one's own uninsured or underinsured motorist coverage is not included in the coverage requirement that must be exhausted before making a claim against LIGA.

Act 166 (CONTINUED)

- Current law requires any amount payable on a covered claim by LIGA must be reduced by the full applicable limits stated in the other insurance policy or by the amount of the recovery under the other insurance policy, and requires that LIGA and the insured receive a full credit for the total recovery.
- Act 166 excludes uninsured and underinsured motorist policies from the full credit requirement for the total recovery.
- Effective 8/1/17.

Act 182

- Senate Bill 44.
- Current law provides that a producer resident in Louisiana and licensed to sell property and casualty insurance may sell insurance policies issued by the La. Citizens Property Insurance Corporation through the FAIR and Coastal Plans.
- Act 182 allows a nonresident producer to sell Citizens policies when the producer's state of residence allows Louisiana resident producers to sell policies issued by that state's residual market mechanism.
- Effective 8/1/17.

Act 183

- Senate Bill 45.
- Makes the definition of "ocean marine insurance" contained in the LIGA law applicable to all of the Insurance Code.
- Includes the provisions of the direct action statute in the definition of "ocean marine insurance."
- Effective 8/1/17.

Act 186

- SB 109.
- Officially suspends and extends all prescriptive and peremptive periods from August 12, 2016 until September 30, 2016.
- Effective 6/12/17.

Act 219

- House Bill 393.
- Current law allows homeowners to exclude personal property coverage in the Hurricane Katrina and Rita disaster areas on structures that had been rendered uninhabitable due to sustaining extensive damage to more than 50% of the dwelling area, and receive a reduction in premium.
- Act 219 removes the references to Hurricanes Katrina and Rita, allowing a homeowner to exclude personal property coverage in a disaster area declared by the Governor or the President under the same structural damage conditions.

Act 219 (CONTINUED)

- Policyholder must exercise the option to exclude personal property coverage within 24 months from the disaster declaration.
- Insurer may terminate the exclusion when one of the following occurs:
 1. The structure has been repaired and become habitable again.
 2. The homeowner's policy has been terminated.
 3. 24 months have passed from the effective date of the substitute policy or exclusion of coverage.
- Effective 1/1/18.

Act 225

- HB 542.
- Creates the Travel Insurance Subpart of the Code, LRS 22:1351 *et seq.*
- Generally provides for travel insurance and travel protection plans, classifying travel insurance as a marine and transportation line of insurance.
- Subjects travel insurers to the provisions of the Code relative to requirements for deposits, assessments, fees and taxes.
- Effective 1/1/18.

Act 297

- HB 217
- Current law defines a "vehicle mechanical insurance policy" as a contract whereby a person other than the owner, seller or lessor of a vehicle assumes risk for the mechanical breakdown of a vehicle, including customer service and convenience services, including those contracts commonly known as vehicle service agreements or extended warranty agreements.
- Act 297 expands the definition to include vehicle service agreements or extended warranty agreements "where the assumption of risk is made by an entity other than the owner, seller or lessor of the vehicle."

Act 297 (CONTINUED)

- Current law exempts vehicle mechanical breakdown insurers from most other provisions of the Insurance Code.
- Act 297 specifically incorporates by reference the unfair trade practices provisions of the Code, authorizing the LDOI to investigate and impose penalties on VMBIs for violations of such.
- Effective 7/1/17.

Act 299

- House Bill 287.
- Current law requires unearned premium to be returned by the insurer upon cancellation of an insurance policy to the policyholder or a premium finance company who financed the policy.
- Act 299 requires the insurer to return the percentage of unearned premium attributable to a mortgagee who funded the policy with his own funds if the mortgagee provided written notice to the insurer of the percentage of the premium being funded with the mortgagee's own funds.

Act 299 (CONTINUED)

- Further requires that the percentage of the unearned premium attributable to the insured shall be returned to the insured in such a case.
- Effective 8/1/17.

Act 306

- House Bill 435.
- Current law requires a healthcare facility to provide a written notice to a patient regarding the provision of services by facility-based but out-of-network providers.
- Act 306 seeks to clarify what balance-billing is, and that the patient will be responsible for charges by out-of-network providers.
- Further requires that the facility provide the patient the name and contact information of out-of-network providers that may render such services.
- Effective 8/1/17.

Act 313

- HB 664.
- Removes the January 1, 2019 sunset on premium tax credits for health maintenance organizations.
- Provides certain criteria that must be met for an HMO to qualify for the premium tax credit:
 - Offers fully insured commercial or Medicare Advantage products.
 - Is domiciled, licensed and operating in Louisiana.
 - Maintains its primary office and at least 70% of its employees in Louisiana.
 - Maintains its core business functions in Louisiana.
- Effective 1/1/18.

Act 315

- HB 692.
- Current law requires the owner/operator of a motor vehicle to provide documentation of compulsory motor vehicle liability coverage. Current law prohibits the issuance of a citation if no such documentation is produced, but the law enforcement officer can verify liability coverage by electronic means.
- Act 315 requires the law enforcement officer to verify liability coverage by electronic means first. If the officer cannot so verify, the owner/operator must then produce documentation.
- Effective 8/1/17.

HB 492

- Provides for a process through which denial by a managed care organization of claims submitted by providers for services to Medicaid enrollees may be reviewed, and adverse determinations concerning those claims may be reconsidered.
- Establishes criteria for the selection of independent reviewers to facilitate this review.
- Provides that within 60 days of the review, either party may file suit in court to challenge the review.
- Sent to the Governor.

SB 79

- Corporate income tax offset for state insurance premium taxes paid is increased from 72% to 100%, among other changes.
- Repeals the sunset date of June 30, 2018 for the 28% reductions to the tax credits as set out during the 2015 Regular Session, thereby continuing the effectiveness of the 28% reductions.
- Sent to Governor.

SB 117

- Requires every non-captive insurance producer who actively writes insurance policies in this state to maintain professional liability insurance or an errors and omissions policy including coverage for acts or omissions as an independent insurance producer.
- The same is required for any captive or non-captive producer who sells insurance products in which the premiums, in whole or in part, are financed by an insurance premium finance company.
- Failure to do so shall be deemed an unfair trade practice under the Code.
- Sent to Governor.

QUESTIONS

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