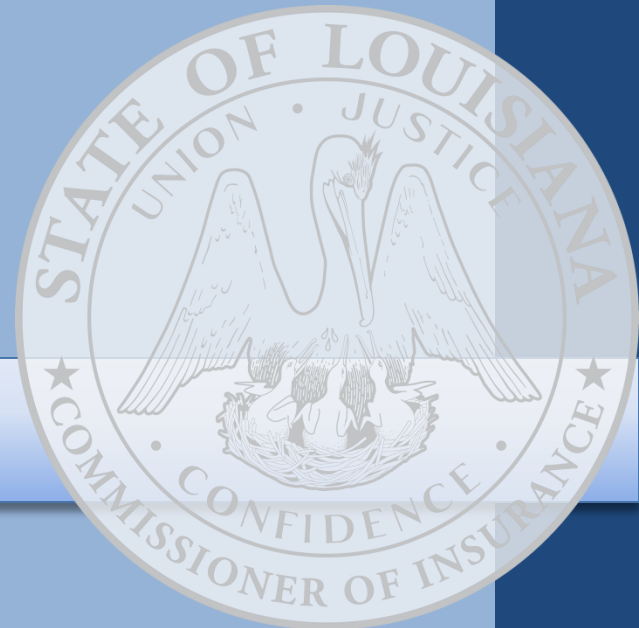


2016 Legislative Overview

Darie Jordan Williams
Legislative Liaison



House Bills





HB 184

Rep. Stokes

- Current law requires that homeowners' insurers provide certain disclosures with homeowners' insurance policies issued or delivered in this state
- Adds an additional required disclosure to the insured stating that mdeductible aking a claim that does not exceed the policy and result in payment either to or on behalf of the insured may be used to increase the premium or as part of the basis for cancellation of the policy.
- Act 274



HB 273

Rep. Talbot

- Re-creates the Department of Insurance
- Act 2



HB 291

Rep. Glover

- Charges the division with developing programs to address the needs and concerns of minority and women producers in the state including training for producers in all areas of agency management and training and education for personnel.
- Extends the division's survey currently being conducted to all licensed entities.
- Act 43



HB 312

Rep. Davis

- Abolishes the La. Mandated Health Benefits Commission
- Establishes a five member commission that will review proposed to determine if the legislation creates a mandated health benefit that would require the state to defray the costs of the mandate for QHPs in excess of EHBs pursuant to federal law.
- Provides that if the commission determines that a mandate for QHPs is in excess of EHBs, shall, in consultation with DOI, notify the House and Senate committees on insurance of the commission's determination that a mandate has been proposed and shall provide an actuarial cost projection for the cost of the proposed mandate for QHPs and non-QHPs.
- Provides that if the legislature enacts a mandate that is in excess of EHBs, the commission shall determine what the cost of the enacted mandate is to all QHPs and shall, by majority vote in an open meeting, adopt an actuarially sound cost estimate for the first plan or policy year for the mandate.
- Requires the commission to tender the cost estimate to the division of administration, the speaker of the House of Representatives, the president of the Senate, and the chairman of the House Appropriations Committee, the chairman of the House Insurance Committee, the chairman of the Senate Finance Committee, and the chairman of the Senate Insurance Committee.
- Act 45



HB 341

Rep. Talbot

- Allows an applicant for registration as a discount medical plan organization which is not domiciled in this state to appoint a La. statutory agent for service of process.
- Requires that they submit the agent's name and address as part of the information required during the application.
- Act 3



HB 363

Rep. Talbot

- Provides that a "fraudulent insurance act" shall include presenting, causing to be presented, or preparing with knowledge or belief that it will be presented to the Property Insurance Association of Louisiana, any written statement which he knows to contain materially false information in connection with the grading of a municipality or fire district.
- Act 4



HB 460

Rep. Abraham

- Authorizes domestic insurers to invest in the securities of foreign nations subject to the certain requirements and restrictions including
 - The securities shall not be in default, shall be issued in the U.S. Market, and shall be denominated in U.S. dollars.
 - The full faith and credit of the foreign nation shall have been pledged for the payment of principal and interest of its securities and the foreign nation has not defaulted and has met its payment obligations in a timely manner on all similar obligations for a period of at least the immediately preceding 25 years.
 - The debt of the issuing country shall be rated at least A- or better by Standard & Poor's Corporation or A3 or better by Moody's, Inc. or an equivalent investment grade by a securities ratings organization accepted by the National Association of Insurance Commissioners.
 - The total investment of the insurer in such foreign securities at any one time shall not exceed 5% of an insurer's admitted assets.
- Act 50



HB 476

Rep. Huval

- Provides that an insurer, but not an insurance producer, may be asked to prepare an addendum to a certificate of insurance that clarifies, explains, summarizes, or provides a statement of the coverages provided by an insurance policy.
- Further provides that a certificate of insurance may be issued only on standard forms promulgated by ACORD, AAIS, ISO.
- Provide that a lender or policyholder may request an opinion letter or other documentation from an agent, in addition to the certificate of insurance.
- Provide that a lender may request an agent prepare or issue an addendum that explains or provides a statement of coverages provided by a policy of insurance.
- Act 278



HB 490

Rep. LeBas

- Requires that a remittance advice containing a network identifier be sent to the pharmacist or pharmacy the day payment is due.
- Act 51



HB 519

Rep. Brown

- Allows domestic insurers to maintain records in electronic data processing systems.
- Act 30



HB 520

Rep. Brown

- Require a foreign insurer applying for a certificate of authority to transact business in Louisiana deliver a certificate to the commissioner showing that a deposit was made in compliance with the laws of the domiciliary state, for the benefit and protection of all policyholders and creditors of the insurer.
- Act 520



HB 596

Rep. Huval

- Provides that a material change made by a health insurance issuer to the terms and conditions of a contract between issuer and a producer shall not become effective until the issuer has delivered written or electronic notice to the producer at least 90 days prior to the effective date of the change.
- Provides that it shall not apply when the change to the contract is mutually agreed upon by the health insurance issuer and the producer or when the change to the contract is required by state or federal law.
- Act 56



HB 612

Rep. Talbot

- Allows a vehicle mechanical breakdown insurer to file an audited consolidated financial statement with the consolidating schedule, or other audited statement deemed acceptable by the commissioner, in lieu of the audited financial statement.
- Act 123



HB 613

Rep. Thibaut

- Adds additional restrictions as to when health insurers may not use genetic information
 - (1) For treatment, payment, and healthcare operations by an insurer consistent with the federal Health Insurance Portability and Accountability Act (HIPAA) and its related regulations.
 - (2) For maintenance of information by an insurer in accordance with record retention requirements.
- Act 58



HB 663

Rep. Thibaut

- Allows an insurance company to terminate the appointment of an insurance producer but requires the insurance company to provide the producer with 180 days notice prior to the termination of the appointment.
- Further provides that the 180 days notice does not apply to captive producers, surplus lines, non-captive producers writing life and annuity insurance policies, and certain contractual relationships.
- Requires an insurer who has terminated a non-captive producer's appointment to renew all contracts of insurance written by the producer for 180 days from the notice of termination.
- Also requires the insurer to pay the producer commissions for the renewals.
- Act 142



HB 694

Rep. Moreno

- Clarifies the required coverage of reconstructive surgeries following mastectomies
- Provides that when an insurer provides such coverage, that coverage shall be for breast reconstruction procedures selected by the patient in consultation with attending physicians
- Prohibits health benefit plans from: (a) requiring that mastectomy procedures and reconstructive procedures be performed under the same policy or plan; or (b) reducing or limiting coverage benefits to a patient for the reconstructive procedures performed as determined in consultation with the attending physician and patient.
- Act 145



HB 709

Rep. Hunter

- Provides that the commissioner of insurance may appoint not more than six employees of the Dept. of Insurance as ex officio notaries public that may administer oaths and receive sworn statements and shall be limited to matters within the official functions of the Dept. of Insurance.
- Provides that separation from the employ of the Dept. of Insurance shall terminate the powers of such an ex officio notary public.
- Act 363



HB 746

Rep. Thibaut

- Authorizes the licensing and regulation of insurance consultants by the commissioner of insurance, with an initial term of two years, followed by renewals at two year intervals.
- Requires an applicant to pass a written exam for each line of insurance that he wishes to be licensed for. Further requires each applicant to submit a full set of fingerprints and pass a criminal background check.
- Act 312



HB 782

Rep. Davis

- Provides that a health insurer may require that a majority of the employees covered under an employee benefit plan are employed or reside in this state, and that there is a bona fide employer-employee relationship to prevent the formation of employer groups primarily for the purposes of buying health insurance.
- Provide that a "small employer", in connection with a group health plan during a calendar year and a plan year, shall be an employer who employed an average of at least one but not more than 50 employees on business days during the preceding calendar year and who employs at least one employee on the first day of the plan year.
- Act 32



HB 798

Rep. Talbot

- Creates a limited lines license to sell property insurance for property self-stored in a self-storage facility.
- Act 258



HB 816

Rep. Talbot

- Provides that certificates of creditable coverage provided by group health plans and certain health insurance issuers shall be sent within 20 days of request.
- Act 68



HB 832

Rep. Seabaugh

- Adds LDI to the list of licensing entities that are not required to provide an explanation as to why a license was denied.
- Act 448



HB 864

Rep. LeBas

- Prohibits a health insurance issuer or a pharmacy benefit manager from directly or indirectly charging or holding a pharmacist or pharmacy responsible for any fee related to a claim:
 - (1) That is not apparent at the time of claim processing.
 - (2) That is not reported on the remittance advice of an adjudicated claim.
 - (3) After the initial claim is adjudicated.
- Defines a "pharmacy benefit manager" as a person, other than a pharmacy or pharmacist, who acts as an administrator in connection with pharmacy benefits.
- Act 148



HB 865

Rep. Huval

- Specifies that a resident individual shall pass an examination for each line of insurance that an applicant seeks to transact in this state. Further requires that an applicant shall pass the examination with a score of at least 70%.
- Retains requirement that a business entity acting as an insurance producer obtain an insurance producer license. However, provides that every member, partner, officer, director, and person who controls directly or indirectly 10% or more of the applicant shall be registered with DOI under such business entity's license.
- Adds a requirement that every individual who is personally engaged in soliciting or negotiating policies in this state shall be registered with the LDI under such business entity's license and shall also qualify as an individual licensee for any line of insurance that the business entity is licensed to transact. Further authorizes the commissioner of insurance to require that such registered individuals submit fingerprints.
- Act 315



HB 915

Rep. Huval

- Authorizes only Louisiana resident producers to sell insurance policies issued by La. Citizens Property Insurance Corporation.
- Act 367



HB 932

Rep. Davis

- Deletes the January 1, 2012, deadline qualifying for the exemption from continuing education requirements for licensed insurance producers who are 65 years or older and who have at least 15 years of experience as a licensed producer and meet certain other requirements.
- Provides that a producer may qualify for the age 65 exemption if he is actively engaged in the insurance business as a producer and represents or operates through a licensed insurance insurer or a licensed La. insurance agency.
- Act 72



HB 935

Rep. Hollis

- Requires insurers to provide policyholders written notification outlining any reduction in coverage in policy provisions at renewal.
- Further provides that insurers who fail to comply may be subject to administrative penalties as determined by the commissioner.
- Act 596



HB 1031

Rep. Brown

- Adds a provision to allow the domestic life insurer to invest in a Real Estate Investment Trust (REIT) domiciled in Louisiana whose stock is not listed on the New York Stock Exchange.
- Act 372



HB 1038

Rep. Anders

- Adopts the single-state exemption from the NAIC Standard Valuation Model Law, which permits the commissioner to exempt from the requirements of the Standard Valuation Manual a domestic insurer or certain types of policies of a domestic insurer that only does business in La.
- Authorizes the commissioner to exempt specific product forms or product lines of such a company if both of the following occur:
 - (1) The commissioner has issued a written exemption to the company that has not been revoked.
 - (2) The company computes reserves using assumptions and methods used prior to the operative date of the valuation manual in addition to any requirements established by the commissioner and promulgated by regulation.
- Further specifies that domestic insurers granted the exemption pursuant to new law shall continue to follow all other provisions of existing law that govern actuarial opinions and calculation of life insurance reserves.
- Act 316



HB 1126

Rep. Brown

- Clarifies that the office of risk management, the Self-Insurance Fund, and certain commercial coverage for the state are not subject to the La. Insurance Code, surplus lines tax on insurance premiums, or the Coastal and FAIR plan assessments.
- Act 374



HB 1140

Rep. Brodwater

- Prohibits managed care organizations from requiring healthcare providers to agree to participate in all healthcare plans and provider networks offered by the managed care organization as a condition of the provider entering a contractual relationship with the insurer.
- Act 265

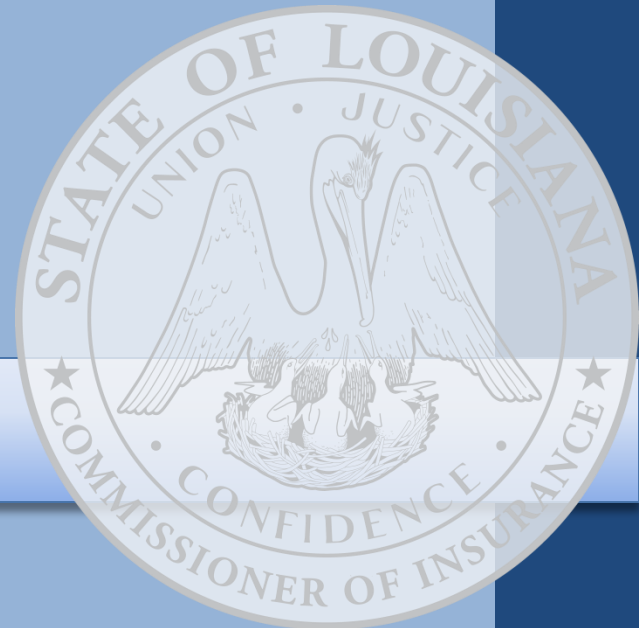


HB 1151

Rep. Johnson

- Requires that a health insurance issuer proposing to change its coverage of a particular prescription drug or intravenous infusion based on medical necessity give notice of the proposed change to an insured currently using that prescription drug who the health insurance issuer determines the change may affect
- Specifies that such notice shall be required if the health insurance issuer has covered the drug or intravenous infusion for the insured for at least the preceding 60 days. Requires that any such notice shall be sent at least 60 days prior to the effective date of the proposed change.
- Provides that any insured receiving such a notice from a health insurance issuer shall have the right to appeal the proposed change during the 60-day notification period.
- Also requires that, in filing such an appeal, the insured shall document that his physician or authorized prescriber considers continued use of the drug or intravenous infusion to be medically necessary.
- Act 573

Senate Bills





SB 27

Sen. J. Smith

- Permits the commissioner to issue to a rental company, whether foreign or domestic a limited license authorizing the limited licensee and its employees to offer or sell insurance in connection with the rental of vehicles.
- Proposed law provides that each such employee and authorized agent shall be deemed to be licensed under the limited licensee's license when acting for or on behalf of the limited licensee.
- Act 162



SB 104

Sen. Smith

- Authorizes the commissioner of insurance to implement specific additional requirements relating NAIC Model Credit for Reinsurance Law.
- Act 199



SB 123

Sen. Claitor

- Revises and reorganizes the Code of Criminal Procedure articles and Revised Statutes relative to bail
- Provides that any appeals of a criminal bond forfeiture would go to the Division of Administrative Law for a hearing.



SB 131

Sen. Johns

- Provides that an individual shall not be required to make a payment for pharmacists services in an amount greater than the pharmacist or pharmacy providing the services may retain from all payment sources.
- Act 527



SB 199

Sen. Gatti

- Requires a domestic insurer or a domestic health maintenance organization to obtain the approval of the commissioner prior to any merger.
- Further requires a domestic insurer or a health maintenance organization to submit a written approval request that includes the articles or plan of merger, a pro-forma consolidated financial statement for the merging entities, and other information the commissioner may require to determine that the merger is not detrimental to the policyholders, enrollees or to the financial solvency of the domestic insurer or domestic health maintenance organization.
- Act 379



SB 217

Sen. Bishop

- Requires all working papers, recorded information, documents, and copies thereof produced, obtained or disclosed to the commissioner or the receiver pursuant to receivership proceeding which is confidential or privileged pursuant to any other provision of law, to be given confidential treatment and not to be subject to subpoena or disclosed pursuant to the Public Records Law.
- Act 345



SB 258

Sen. Luneau

- Requires that any health insurance plan or policy issued or renewed in this state on or after January 1, 2017 provide coverage for the costs of refilling a topical ophthalmic prescription. Prohibits denial of a refill request under the following circumstances: the refill for a 30 day supply is requested between 23 and 30 days from the original date the prescription was filled, a 60 day supply is requested between 46 and 60 days from the original date the prescription was filled, a 90 day supply is requested between 69 and 90 days from the original date the prescription was filled.
- Act 206



SB 266

Sen. Long

- Exempts nonresident adjusters applying for licensure in Louisiana from the examination requirements if they have completed an examination in their resident state where they are currently licensed.
- If an individual lives in a state that does not license adjusters, they can designate La. as their home state by meeting all La licensing requirements.
- Provides that a licensed claims adjuster who allows his license to lapse may, within two years from the expiration date of the license, reinstate the same license upon proof of fulfilling all continuing education requirements through the date of reinstatement and upon payment of all fees due. If the license has been lapsed for more than two years, the applicant shall fulfill the requirements for issuance of a new license.
- Adds worker compensation as a new line for licensing.
- Act 174



SB 375

Sen. Smith

- Extends the authority and funding of the insurance fraud investigation unit in the Department of Public Safety and Corrections until July 1, 2018.
- Also extends the Sledge Jeansonne Louisiana Insurance Fraud Prevention Act, which allows the attorney general to institute civil proceedings against any person who commits certain fraudulent insurance acts, until August 1, 2018.
- Act 193



SB 476

Sen. Martiny

- Requires every hospital, health, or medical expense insurance policy in the large group market as defined in prior law to include coverage of diagnosis and treatment for temporomandibular joint (TMJ) and associated musculature and neurological conditions.
- Requires the TMJ insurance coverage to be subject to the same conditions, limitations, precertification, prior authorization, referral procedures, copayment, and coinsurance provisions that apply coverage for diagnosis and treatment involving other bones or joints of the human skeleton.
- Applies to all new policies, plans, certificates, and contracts issued on or after January 1, 2018 and existing policies, plans, certificates, and contracts to include coverage by January 1, 2019.
- Exempts the Office of Group Benefits (OGB) from these requirements.
- Act 405

Contact Information

The seal of the Louisiana Department of Insurance is a circular emblem. It features a central shield with a white background, depicting a figure holding a torch. The shield is surrounded by a blue border with white stars. The entire seal is set against a light blue background.

QUESTIONS?
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