

1A. STATUTORY REQUIREMENTS OF LOUISIANA REVISED STATUTES 22:236.3

RS 22:236.3

§236.3. Consideration and dividend protections

A. In effecting a conversion of a reorganizing mutual, each eligible member shall be entitled to consideration in an amount equal to his or its equitable share of the value of the reorganizing mutual as provided for in the plan of reorganization, as follows:

(1) The consideration to be distributed to eligible members may consist of cash, stock of the reorganized company or its parent corporation, or if appropriate for tax or other reasons, additional life insurance and annuity benefits, any combination of these forms of consideration, or other forms of consideration acceptable to the commissioner. The form or forms of consideration to be distributed to an eligible member may differ according to the class or category of policy owned by the eligible member. The choice of the form or forms of consideration to be distributed to eligible members in accordance with the class or category of policy owned by such members may take into account such factors as the type of policy with respect to which the consideration is being distributed and the amount being distributed with respect to such policies, the country of residence, or tax status of the member or other appropriate factors; however, if the consideration to be distributed to an eligible member will be in a form other than common stock of a publicly traded company, the plan of reorganization shall include provisions for determining, in a reasonable manner, the value of the consideration by means of reference to the per share public market value of the registered common stock of the reorganized company or its parent corporation or another method acceptable to the commissioner.

(2) The reorganizing mutual shall obtain an opinion addressed to the board of directors of the reorganizing mutual from a qualified investment banker that the provision of consideration upon the extinguishment of the membership interests pursuant to the plan of reorganization is fair to the eligible members, as a group, from a financial point of view.

B. The method of allocating consideration among eligible members shall be fair and equitable as follows:

(1) The method shall provide for each eligible member to receive: (a) a fixed component of consideration or a variable component of consideration, or both; or (b) any other component of consideration acceptable to the commissioner. Components may reflect, based upon fair and equitable formulas, methods, and assumptions, factors such as estimated proportionate historical and prospective contributions to surplus of classes or groupings of policies and contracts to the aggregate component of consideration being distributed to eligible members, with each eligible member receiving a distribution in accordance with the type of policy owned by the eligible member, or other factors the commissioner may approve.

(2) The reorganizing mutual shall obtain an opinion addressed to the board of directors of the reorganizing mutual from an actuary who is a member of the American Academy of Actuaries that the methodology and underlying assumptions for allocation of consideration among eligible members are reasonable and appropriate and the resulting allocation is fair and equitable.

C. At the option of the reorganizing mutual, any shares of the reorganized insurer or its parent corporation included in the eligible members' consideration may be placed on the effective date of the reorganization in a trust or other entity existing for the exclusive benefit of eligible members and established for the purpose of effecting the reorganization, such consideration or the proceeds of the sale of such consideration to be distributed to such eligible members by means of a process specified in the plan of reorganization and not to last more than twenty-one years after the effective date of the reorganization or until notification of the death of the eligible member or the death of the insured, whichever occurs first.

D.(1) The plan of reorganization shall provide for the reasonable dividend expectations of policyholders of any reorganized insurer through the establishment, or in the case of a reorganizing mutual insurance holding company the continuation, of dividend protections, which may consist of a closed block or any other method acceptable to the commissioner. The sole purpose of any dividend protections shall be to provide for reasonable policyholder dividend expectations.

(2) Any dividend protections provision may be limited to participating individual life insurance policies and participating individual annuity contracts in force or deemed to be in force by the plan of reorganization on the effective date of the reorganization, or, in the case of a reorganized insurer in a mutual insurance holding company system, on the effective date of its reorganization as such, for which the insurer has or had an experience-based dividend scale due, paid or accrued by action of the board of directors of the insurer in the year in which the plan of reorganization is or was adopted, however, other categories of policies and benefits not described in this Paragraph may be included or excluded, subject to the approval of the commissioner.

(3) In the event that dividend protections have been provided to policyholders of a reorganized insurer as part of a previous plan of reorganization, such dividend protections may be continued in effect without change in satisfaction of the requirements of this Section.

R.S. 22:236.3 A. (1)
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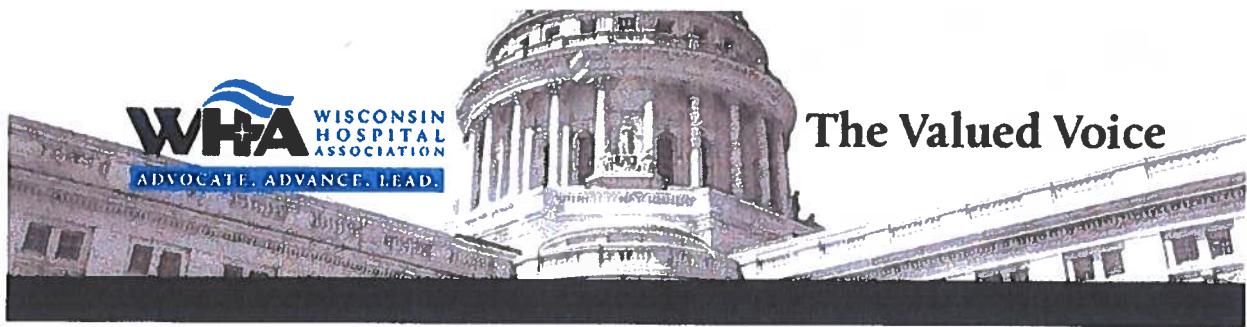
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R.S. 22:236.3 C. At the option of the reorganizing mutual, any shares of the reorganized insurer or its parent corporation included in the eligible members' consideration may be placed on the effective date of the reorganization in a trust or other entity existing for the exclusive benefit of eligible members...



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Anthem Payment Delays Reaching Sizable Levels

As much as \$300 million in unpaid claims in New Hampshire, millions more in Wisconsin and across the U.S.

For the past two years, mega health insurance company Anthem has experienced significant payment delays, resulting in millions of dollars owed to hospitals across the country, including right here in Wisconsin.

"We are hearing from more and more of our members that have concerns about Anthem payment delays," said WHA President and CEO Eric Borgerding. "Whether it is due to technical system issues, lack of sufficient staffing, or other challenges doesn't really matter—health care providers are too often left holding the bag when insurers systems fail."

According to [a recent report from Becker's](#), hospitals in New Hampshire have experienced claims processing delays since 2021, now totaling about \$300 million. According to a New Hampshire Hospital Association report, about 1/3 of the accounts receivable were outstanding for greater than 90 days. And in March 2022, [the state of Georgia fined Anthem \\$5 million](#) for failure to pay insurance claims timely.

Hospitals here in Wisconsin are experiencing similar issues, with at least one—Aurora—having filed a lawsuit in September 2022 alleging that despite repeated attempts to resolve the issue with Anthem, it failed to pay 25,000 claims that were pending for more than 180 days, amounting to payments owed on more than \$125 million in billed charges.

Aspirus Health in Wisconsin has also experienced significant claims delays. According to CEO Matt Heywood, "We have in good faith provided exceptional care to patients with Anthem insurance. It is becoming more difficult for us to do so, though, given the financial burden we are carrying because of outstanding Anthem claims dating back to last year for which we have received no payment. Anthem has made certain to collect its premiums but has not passed along full compensation to the dedicated caregivers who provide care."

Other Articles in this Issue

- [Former Governors Doyle and Thompson encourage Advocacy Day Attendees to Rise Above Partisanship. Tell Their Story](#)
- [Gov. Tony Evers Discusses Proposed State Budget Investments for Hospitals in Remarks to WHA Advocacy Day Attendees](#)
- [Stoughton Health Receives WHA's 2023 Advocacy All-Star Award](#)
- [Rep. Mark Born Receives WHA's 2023 Advocate of the Year Award](#)
- [Lawmakers Discuss State Budget Priorities, Debate Solutions to Workforce Licensure Delays during WHA Advocacy Day Legislative Panel](#)
- [Inaugural Quality Improvement Poster Showcase](#)
- [Anthem Payment Delays Reaching Sizable Levels](#)
- [WHA and Members Back in D.C. Pushing for Continued Regulatory Flexibility and Support of Vital Hospital Priorities](#)
- [PRESIDENT'S COLUMN: Hospitals Show Impressive Gains Complying with Federal Price Transparency Law](#)