RULE

Department of Insurance
Office of the Commissioner

Licensing and Insurance Compliance—Regulation 66
(LAC 37:XIII.Chapter 51)

In accordance with LSA-R.S. 49:950 et seq., the ninistrative Procedure Act, and as authorized by L.R.S. Title 22, Sections 3, 1770, 1811, 1911, 1942, 2014, 3017B, 1348(B) 1358B; Title 23, Section 1200.1 and Title 33, Sections 1348(B) and 1358B, notice is hereby given that the Commissioner of Insurance adopts the following regulation to require that persons designated as directors, presidents, vice-presidents, or any other person who performs as such in the articles of incorporation of domestic regulated entities will be required to file biographical information with the Commissioner of Insurance for review.

Title 37
INSURANCE
Part XIII. Regulations

Chapter 51. Regulation 66—Requirements for Officers, Directors, and Trustees of Domestic Regulated Entities

§5101. Purpose

A. The purpose of this regulation is to require that officers, directors and trustees of domestic regulated entities, as defined herein, file biographical information with the Commissioner of Insurance for review. The purpose of this review is to determine whether a domestic regulated entity continues to meet minimum licensing standards upon a change officers, directors or trustees.

AUTHORITY NOTE: Promulgated in accordance with R.S. (L.R.S.) Title 22, Sections 3, 1770, 1811, 1911, 1942, 2014, 3017B, 1348(B) 1358B; Title 23, Section 1200.1 and Title 33, Sections 1348(B) and 1358B.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 25:78 (January 1999).

§5103. Definitions

A. For the purpose of this Regulation the following definitions shall be applicable.

Director—persons designated in the articles of incorporation, by-laws or other organizational documents as such, and persons designated, elected or appointed by any other name or title to act as directors, and their successors.

Domestic Regulated Entity—any Louisiana domiciled entity which is required to obtain a license or certificate of authority from or register with the Commissioner. This definition shall specifically include, but is not limited to, stock and mutual insurers, domestic service insurers, non-profit funeral service associations, reciprocal insurers, Lloyd's plans, fraternal benefit societies, automobile service clubs, vehicle mechanical breakdown insurers, property residual value insurers, animal insurers, health maintenance organizations, non-profit beneficiary organizations and risk indemnification trusts, third party administrators, interlocal risk management agencies or any plan of self insurance providing health and accident or workers compensation coverage to employees of two or more employers.

This term shall not include insurance agents, agencies, managing general agents, viatical settlement brokers or reinsurance intermediary brokers.

Officer—a president, vice-president, treasurer, actuary, secretary, controller, partner and any other person who performs for the domestic regulated entity functions corresponding to those performed by the foregoing officers. *Officer* shall also include the administrator of a plan of self-insurance providing health and accident or worker compensation coverage to employees of two or more employers.

Trustee—the trustee of a trust, which provides health and accident or workers compensation coverage to employees of two or more employers.

AUTHORITY NOTE: Promulgated in accordance with R.S. (L.R.S.) Title 22, Sections 3, 1770, 1811, 1911, 1942, 2014, 3017B, 1348(B) 1358B; Title 23, Section 1200.1 and Title 33, Sections 1348(B) and 1358B.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 25:78 (January 1999).

§5105. Review of Officers, Directors and Trustees by Commissioner Required

A. No person shall serve as an officer, director or trustee of a domestic insurer who has not first submitted the information required by §5107 to the Commissioner or to whom, after review of the information required by §5107, the Commissioner has refused to issue a letter of no objection.

B. No domestic regulated entity may elect, appoint or otherwise accept an officer, director or trustee an individual who has failed to submit the information required by §5107 to the Commissioner or to whom, after review of the information required by §5107, the Commissioner has refused to issue a letter of no objection.

AUTHORITY NOTE: Promulgated in accordance with R.S. (L.R.S.) Title 22, Sections 3, 1770, 1811, 1911, 1942, 2014, 3017B, 1348(B) 1358B; Title 23, Section 1200.1 and Title 33, Sections 1348(B) and 1358B.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 25:78 (January 1999).

§5107. Procedure for Requesting Letter of No Objection from Commissioner

A. Each person elected, appointed or who otherwise becomes as an officer, director or trustee of a domestic regulated entity shall, within thirty days of being elected, appointed or otherwise chosen, submit to the Commissioner a request for a letter of no objection regarding his service in that capacity. The request shall be made, in writing, on forms provided by the Commissioner.

B. Each request for a letter of no objection shall include:

1. such biographical information as the Commissioner shall reasonably require to determine compliance with this regulation and the applicable statutes;

2. a statement from the domestic regulated entity indicating the position for which the individual has been elected, appointed or otherwise chosen;

3. a sworn statement from the individual confirming that he has no conflict of interest which would interfere with his service in the position;

4. a copy of the acceptance of trust, oath of office or other such document signed by the individual. The form of this document will be provided by the Commissioner and shall include a statement that the individual agrees to abide by and direct the activities of the domestic insurer in compliance with all applicable provisions of the Louisiana Revised Statutes.

AUTHORITY NOTE: Promulgated in accordance with R.S. (L.R.S.) Title 22, Sections 3, 1770, 1811, 1911, 1942, 2014, 3017B, 1348(B) 1358B; Title 23, Section 1200.1 and Title 33, Sections 1348(B) and 1358B.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 25:79 (January 1999).

§5109. Conditions for Refusal of Letter of No Objection

A. The Commissioner may refuse to issue a letter of no objection if he finds that:

1. the competence, experience and integrity of the individual is such that it would not be in the best interest of policyholders, members or clients of the domestic regulated entity or of the public to allow the person to serve in the proposed position;

2. the individual has been convicted of or has pled nolo contendre to or participated in a pretrial diversion program pursuant to any charge of any felony or misdemeanor involving moral turpitude or public corruption;

3. the individual knowingly makes a materially false statement or omission of material information in the request for a letter of no objection;

4. for any other reason now or hereinafter as the law may provide.

AUTHORITY NOTE: Promulgated in accordance with R.S. (L.R.S.) Title 22, Sections 3, 1770, 1811, 1911, 1942, 2014, 3017B, 1348(B) 1358B; Title 23, Section 1200.1 and Title 33, Sections 1348(B) and 1358B.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 25:79 (January 1999).

§5111. Waiver of Submission of Biographical Information

A. The Commissioner may waive the requirement that an individual submit biographical information under the following conditions:

1. the individual has served as an officer, director or trustee of a domestic regulated entity for a period of five consecutive years;

2. the individual has received a letter of no objection from the Commissioner within one year of being elected, appointed or otherwise chosen as an officer, director or trustee and no material change has occurred in the biographical information submitted in support of that request;

3. individuals who qualify for a waiver of the submission of the biographical information must submit the document required by §5107.B.4.

AUTHORITY NOTE: Promulgated in accordance with R.S. (L.R.S.) Title 22, Sections 3, 1770, 1811, 1911, 1942, 2014, 3017B, 1348(B) 1358B; Title 23, Section 1200.1 and Title 33, Sections 1348(B) and 1358B.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 25:79 (January 1999).

§5113. Scope and Limitations

A. On its effective date, January 20, 1999, this regulation shall apply to all individuals serving as an officer, director or trustee of a domestic regulated entity and to all individuals nominated or otherwise suggested for such positions.

AUTHORITY NOTE: Promulgated in accordance with R.S. (L.R.S.) Title 22, Sections 3, 1770, 1811, 1911, 1942, 2014, 3017B, 1348(B) 1358B; Title 23, Section 1200.1 and Title 33, Sections 1348(B) and 1358B.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 25:79 (January 1999).

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