

# 2018 LDI Legislative Package





# Prohibited Acts

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## Rep. Anders

- Permits the commissioner of insurance to grant or deny consent or a waiver in his discretion to authorize the employment of the person convicted of a felony.
- HB 206



# Application for producer license subsequent to revocation

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## Rep. Anders

- No licensee whose license has been revoked may file another application for a license within one year from the effective date of the revocation or from the final court order or decree affirming the revocation.
- The automatic five-year ban after failure of an appeal has been removed.
- The commissioner may deny the subsequent application unless the applicant shows good cause.
- HB 227



# Regulatory Authority of HMO

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## Rep. Talbot

- Currently, the Insurance Code states that the Department of Insurance shall only regulate Medicaid MCOs for licensure and solvency.
- Proposed legislation would give the LDI full regulatory authority over the Medicaid HMOs.
- HB 244



# Reinsurance for the Individual Market

## Rep. Thibaut

- Louisiana will pursue a State Innovation Waiver under Section 1332 of the ACA.
- The purpose of the waiver is to establish a state-based reinsurance program that would be nearly identical to the former Transitional Reinsurance Program that was jointly administered by Treasury and HHS from 2014-2016.
- This bill would give the Commissioner of Insurance the statutory authority to pursue a State Innovation Waiver, which CMS and federal rule requires prior to submitting a State Innovation Waiver Application.
- HB 246



# Surplus Lines Insurance

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## Rep. Huval

- Adds health and accident insurance to the definition of surplus lines insurance.
- Clarifies that the definition of surplus lines insurers does not include health maintenance organizations.
- Adds the Louisiana Life and Health Insurance Guaranty Association to the endorsement of contract notice.
- Makes changes to surplus lines broker definition to conform to this bill and previous changes in the law.
- HB 247



# Prohibited Acts

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## Rep. Anders

- Allows the distribution of agency profits to an agency owner who has been convicted of a felony **if** the owner has the written consent or a waiver from the commissioner to engage in the business of insurance.
- HB 267



# Producer Prelicensing Requirements

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## Rep. Jordan

- Clean up legislation that removes bail bond producers from prelicensing requirements listed in section 1571(E)(1), the producer licensing statute. The bail bond prelicensing requirements are in another section of the law.
- HB 330





# Registration of Controlling Persons

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## Rep. Huval

- Clarifies that any person who holds one or more of the positions of member, partner, officer or director or who controls directly or indirectly ten percent or more of business, shall register under the business entity's license. It is not required that a person hold all of the positions.
- HB 363



# Funeral Services Association

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## Rep. Jordan

- Removes the requirement that the board of directors of nonprofit funeral services associations must be members in good standing.
- HB 366



# Pharmacy Benefit Manager (PBM)

## Rep. Johnson

- Requires the availability of maximum allowable cost (MAC) lists for all pharmacies.
- For denied MAC appeals, requires disclosure of NDC number and source where drug may be acquired at or below MAC.
- For granted MAC appeals, requires notice to similarly situated pharmacies of the granted appeal and their right to resubmit.
- Establishes MAC LDI complaint process, only available after PBM final decision in response to appeal. Errors result in favor of complaining pharmacy.
- Provides for a fee on PBMs to cover the cost of enforcing and investigating these laws.
- HB 436



# Workers' Compensation Claims Adjusters

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## Rep. Pierre

- Clarifies that the commissioner may refuse, suspend or revoke the certificate of authority of a foreign or alien insurer who fails to maintain a claims office for processing workers' comp insurance claims in this state or retain the services of licensed workers' comp claims adjusters domiciled in this state.
- HB 451



# Reinsurance for the Individual Market

## Rep. Thibaut

- This bill would fully implement a state-based reinsurance program, which would be funded almost entirely by federal pass-through (or match) funding.
- Issuers in the individual market would be eligible for reinsurance payments for high cost enrollees under the reinsurance program.
- The state-supplied portion of the funding would come from a per member/per month assessment on all covered lives in the state (fully-insured, self-insured, MEWA, etc.)
- The actuarial projections demonstrate that rates in the individual market could be reduced between 10-20% in the first year of the reinsurance program.
- HB 472



## Rep. Huval

- Adopts recent changes to the NAIC Life and Health Insurance Guaranty Association Model Act relative to long-term care (LTC) insurance.
- Includes HMOs as member insurers.
- Permits LLHIGA to file for actuarially justified rate or premium increases.
- Allocates assessments for LTC equally between the life and health accounts.
- Makes technical and conforming changes throughout the law.
- HB 551



# Appeal of Financial Solvency Exams

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## Rep. Seabaugh

- Appeals of examinations reports go the Nineteenth Judicial District Court.
- Review without a jury and by trial de novo except when all parties including the commissioner stipulate.
- Portions of the record may be introduced into evidence by stipulation.
- Filing an appeal pursuant to this section shall stay the application of any rule, regulation, order or other action of the commissioner unless the court determines that a stay would be detrimental to the interest of policyholders, shareholders, creditors or the public.
- HB 607



# Examination Authority of the Commissioner

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## Rep. Seabaugh

- Allows the commissioner to examine or investigate any person regulated, licensed or registered with the department to determine compliance with the code.
- HB 608





# Large Deductible Workers' Compensation

## Rep. Seabaugh

- Defines that a “large deductible policy” is \$100,000 or more.
- Establishes the rights of the receiver or the guaranty association to pursue the collateral posted by the insured.
- Limits the defenses available to the insured who is being pursued for the collateral.
- Pursuant to the NAIC 2016 Workers' Compensation Large Deductible Study.
- Similar laws have been adopted in 9 states (MI; FL; IL; CA; TX; UT; PA; MO; WV).
- HB 609



# Administrative Hearings

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## Rep. Jordan

- Provides that the commissioner shall provide the division of administrative law with a copy of a demand for a hearing by the aggrieved party within five days of receipt of the original.
- HB 615



# Designation of a responsible producer

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## Rep. Pierre

- Permits an administrative deactivation of a business entity license when the designated responsible producer ceases to be licensed.
- This administrative deactivation will not be considered a regulatory action.
- Permits the reactivation of the business entity license once the non-compliance is remedied
- HB 641



# Bail Bond Apprenticeship Program

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## Rep. Pierre

- The registrant and supervising bail bond producer shall notify the commissioner of any changes to the registration information within three days of the change.
- Notify the commissioner of the termination of an incomplete apprenticeship within three days of the termination.
- An apprenticeship shall terminate if not completed within six months of initial registration.
- Current law contains no requirements for registrants to update information nor provides any timeframe in which an apprenticeship must be completed.
- HB 642



# Third Party Administrator Licenses

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## Rep. Pierre

- Clarifies that the Commissioner may deny a TPA application for license for any violation which would lead to the suspension or revocation of a license.
- Adds “has provided incorrect, misleading, incomplete or materially false information, or omitted material information in the license application” to the list of reasons the commissioner may suspend, revoke, deny or impose a fine.
- HB 644



# Violations of a Consumer Complaint Directive

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## Sen. J. Smith

- Removes the requirement that the commissioner “shall” fine and replaces it with “may” fine for the failure to comply with a consumer complaint directive.
- SB 35



# Continuing Education Requirements

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## Sen. J. Smith

- The continuing education requirements for license renewal shall not apply to a nonresident licensee who meets the continuing education requirement for their home state and whose home state gives continuing education credit to Louisiana residents on a reciprocal basis.
- SB 36



# Registration of Catastrophe or Emergency Adjusters

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## Sen. J. Smith

- Makes a technical correction by replacing the word “license” with “registration”.
- SB 37





# Renewal of Adjuster License

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## Sen. J. Smith

- Provides adjusters a first-time renewal exemption from completing continuing education hours provided to insurance producers.
- SB 86



# Electronic Filing

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## Sen. J. Smith

- Clarifies that all types of licenses may be filed electronically.
- SB 87



# Pharmacy Benefit Manager (PBM)

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## Sen. Mills

- prohibits any contract entered into in this state between an insurer, a pharmacy benefit manager, or any other entity and a pharmacist or pharmacy from containing a provision prohibiting the pharmacist from disclosing any relevant information to an individual purchasing prescription medication.
- SB 324

# Contact Information

The logo of the Louisiana Department of Insurance is a circular emblem. It features a central figure of a person, possibly a Native American, holding a bow and arrow. The figure is surrounded by a circular border containing the text "LOUISIANA DEPARTMENT OF INSURANCE". The background of the emblem is a light blue and white pattern.

QUESTIONS?  
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