

2015 Regular Session

SENATE BILL NO. 216

BY SENATOR MORRISH

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

INSURANCE DEPARTMENT. Provides for the reorganization of the Louisiana Department of Insurance. (gov sig)

1 AN ACT
2 To amend and reenact R.S. 22:3, 32(C), the introductory paragraph of R.S. 22:33(A), R.S.
3 36:681(C)(1), 687, 691.1, 692, 694, and 696(A), (B)(1)(a) and (b), and (C), to enact
4 R.S. 22:31(C) and (D), and to repeal R.S. 22:31(6), 32(D) and (E), and R.S.
5 36:696(B)(1)(e), relative to the Louisiana Department of Insurance; to provide for
6 the composition of the department; to provide relative to the division of minority
7 affairs and the Advisory Committee on Equal Opportunity; to provide with respect
8 to the deputy commissioner for consumer services; to provide relative to the office
9 of health, life and annuity; to provide with respect to the deputy commissioner for
10 consumer advocacy; and to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 22:3, 32(C), and the introductory paragraph of R.S. 22:33(A) are
13 hereby amended and reenacted, and R.S. 22:31(C) and (D) are hereby enacted to read as
14 follows:

15 §3. Composition of Department of Insurance

16 The Department of Insurance shall be comprised of the office of the
17 commissioner, the office of management and finance, the office of property and

1 casualty, the office of licensing ~~and compliance~~, the office of financial solvency, the
2 office of consumer advocacy, the office of health ~~insurance~~, **life and annuity, the**
3 **office of consumer services**, the division of insurance fraud, the division of legal
4 services, the division of public affairs, ~~the division of minority affairs~~ and any other
5 office or division that may be included by the Executive Reorganization Act or other
6 law. Each office or division shall be administered as prescribed by Titles 36 and 39
7 of the Louisiana Revised Statutes of 1950.

8 * * *

9 §31. Division of minority affairs

10 * * *

11 **C. The division of minority affairs shall review all complaints alleging a**
12 **violation of the provisions of this Subpart. Upon receipt of a complaint, the**
13 **division of minority affairs shall notify an insurer against whom the complaint**
14 **was filed of the nature of the complaint and provide the insurer with the**
15 **opportunity to make a written explanation. As a part of the response, the**
16 **insurer may submit to the division of minority affairs any affirmative action**
17 **plan it may have in effect. The division of minority affairs shall consider any**
18 **affirmative action plan and any other pertinent information submitted to it in**
19 **determining whether or not the insurer has engaged in a pattern or practice of**
20 **employment discrimination prohibited by Part IV of Chapter 3-A of Title 23,**
21 **R.S. 23:332 et seq.**

22 **D. The division of minority affairs shall report apparent violations of this**
23 **Subpart to the commissioner of whom may at that time commence enforcement**
24 **proceedings in accordance with R.S. 22:33.**

25 §32. Advisory Committee on Equal Opportunity

26 * * *

27 ~~C. The committee shall review all complaints alleging a violation of the~~
28 ~~provisions of this Subpart. Upon receipt of a complaint, the committee shall notify~~
29 ~~the insurer against whom the complaint was filed of the nature of the complaint and~~

1 ~~provide the insurer with an opportunity to make a written explanation. As a part of~~
2 ~~the response, the insurer may submit to the committee any affirmative action plan~~
3 ~~it may have in effect. The committee shall consider any affirmative action plan~~
4 ~~submitted to it, along with any other pertinent information submitted to it, in~~
5 ~~determining whether the insurer has engaged in a pattern or practice of employment~~
6 ~~discrimination prohibited by Part IV of Chapter 3-A of Title 23, R.S. 23:332 et seq.~~

7 E. Nothing contained in this Section or in R.S. 22:31 shall be construed to
8 expand the coverage of Part IV of Chapter 3-A of Title 23, R.S. 23:332 et seq. for
9 purposes of the sanctions authorized against insurers under R.S. 22:33.

10 §33. Sanctions

11 A. Whenever the commissioner of insurance receives notification of an
12 apparent violation from the ~~advisory committee~~ **division of minority affairs**, and
13 determines, after notice and opportunity for a hearing in accordance with the
14 Administrative Procedure Act, that an insurer has engaged in a pattern or practice of
15 employment discrimination prohibited by Part IV of Chapter 3-A of Title 23, R.S.
16 23:332 et seq., he may issue an order requiring the insurer to cease and desist
17 engaging in such unlawful act or practice. If the insurer does not comply with the
18 cease and desist order, the commissioner may then:

19 * * *

20 Section 2. R.S. 36:681(C)(1), 687, 691.1, 692, 694, 696(A), (B)(1)(a) and (b), and
21 (C) are hereby amended and reenacted to read as follows:

22 §681. Department of Insurance; creation; domicile; purposes and functions

23 * * *

24 C.(1) The officers of the department shall be the commissioner of insurance,
25 the chief deputy commissioner, the deputy commissioner for management and
26 finance, the deputy commissioner for property and casualty, the deputy
27 commissioner for insurance fraud, the deputy commissioner for licensing ~~and~~
28 ~~compliance~~, the deputy commissioner for financial solvency, the deputy
29 commissioner for health ~~insurance~~, **life and annuity**, the deputy commissioner for

1 public affairs, the deputy commissioner for ~~minority affairs~~ **consumer services**, the
2 deputy commissioner for consumer advocacy, and the executive counsel.

3 * * *

4 §687. Deputy commissioner for ~~minority affairs~~ **consumer services**; functions;
5 division of ~~minority affairs~~ **consumer services**

6 * * *

7 ~~A. There shall be a deputy commissioner for minority affairs of the~~
8 ~~Department of Insurance who shall be appointed by the commissioner of insurance~~
9 ~~and who shall serve at the pleasure of the commissioner at a salary fixed by the~~
10 ~~commissioner, which salary shall not exceed the amount approved for such position~~
11 ~~by the legislature while in session. Each appointment by the commissioner shall be~~
12 ~~submitted to the Senate for confirmation. The deputy commissioner for minority~~
13 ~~affairs shall be directly responsible to and shall perform his functions under the~~
14 ~~supervision and control of the commissioner of insurance.~~

15 ~~B. The deputy commissioner for minority affairs shall direct and be~~
16 ~~responsible for the functions of the division of minority affairs within the~~
17 ~~Department of Insurance. In such capacity, he shall be responsible for assisting in~~
18 ~~coordinating the activities of the Advisory Committee on Equal Opportunity,~~
19 ~~establishing educational and information services regarding opportunities available~~
20 ~~in the insurance industry and the skills, training, and education necessary to prepare~~
21 ~~for such opportunities, assisting minority groups in obtaining employment, agent's~~
22 ~~or agency contracts and contracts for services with insurance companies; **There is**~~
23 ~~**hereby created a division of consumer services under the direction of the deputy**~~
24 ~~**commissioner of consumer services. The duties and functions of the division**~~
25 ~~**and the deputy commissioner shall be responsible for the receipt and processing**~~
26 ~~**of consumer complaints, market conduct analysis and examination,** and such~~
27 additional duties and functions as are assigned by the commissioner.

28 * * *

29 §691.1. Division of insurance fraud

1 There is hereby created a division of insurance fraud in the Department of
 2 Insurance that shall be under the direction of the deputy commissioner for insurance
 3 fraud. The duties and functions of the division of insurance fraud and the deputy
 4 commissioner of insurance fraud shall be the investigation of alleged administrative
 5 or civil fraudulent insurance acts, other administrative or civil violations of the
 6 insurance laws of this state, ~~and executive security,~~ **and such additional duties and**
 7 **functions** as assigned by the commissioner.

8 §692. Office of licensing ~~and compliance~~; functions

9 There is hereby created an office of licensing ~~and compliance~~ in the
 10 department of insurance. Such office shall be under the direction of the deputy
 11 commissioner for licensing ~~and compliance~~. The duties and functions of the office
 12 of licensing ~~and compliance~~ and the deputy commissioner ~~for the office of licensing~~
 13 ~~and compliance~~ shall be as provided in this Title and as assigned by the
 14 commissioner.

15 * * *

16 §694. Office of health insurance **life, and annuity**; functions

17 There is hereby created an office of health, **life, and annuity** insurance in the
 18 Department of Insurance. The office shall be under the direction of the deputy
 19 commissioner for health ~~insurance,~~ **life, and annuity**. The duties and functions of
 20 the office of health ~~insurance,~~ **life, and annuity** and the deputy commissioner for
 21 health insurance shall be responsible for development and administration of health
 22 insurance pilot programs as established by the legislature, research and development
 23 of rules and regulations to implement health insurance reform legislation, research
 24 and development of health insurance reform measures that broaden the availability
 25 of health insurance coverage in the state, liaison activities for the Department of
 26 Insurance with other state and national agencies for policy on health insurance,
 27 preparation of proposed health insurance reform legislation by the department;
 28 general research and implementation issues concerning health insurance policy, and
 29 additional duties and functions as assigned by the commissioner.

1 * * *

2 §696. Deputy commissioner for consumer advocacy; functions; office of consumer
3 advocacy

4 A. There is hereby created an office of consumer advocacy in the Department
5 of Insurance. This office shall be under the direction of the deputy commissioner for
6 consumer advocacy, who shall be appointed by the commissioner of insurance with
7 advice and concurrence of the Senate and House committees on insurance and who
8 shall serve at the pleasure of the commissioner at a salary fixed by the
9 commissioner, ~~which salary and benefits shall be the same as the majority of the~~
10 ~~deputy commissioners of the Department of Insurance. The commissioner of~~
11 ~~insurance shall appoint the deputy commissioner of consumer advocacy by October~~
12 ~~1, 2007~~ **that shall not exceed the amount approved for the position by the**
13 **legislature.** The office of consumer advocacy shall be staffed with no fewer than
14 three full-time professional level civil service employees to manage complaints,
15 inquiries, and outreach. The office of consumer advocacy shall be staffed with no
16 fewer than two full-time journeyman level civil service employees to assist the
17 professional level employees. The office of consumer advocacy shall employ an
18 administrative assistant designated by the deputy commissioner who shall be
19 responsible for coordinating and directing travel, scheduling, office management,
20 and any other duties assigned by the deputy commissioner. The office of consumer
21 advocacy shall be housed within the Louisiana Department of Insurance and, as
22 funding is available, satellite offices may be opened as outlined in the rules and
23 regulations to be implemented by the commissioner of insurance pursuant to this
24 Section. The deputy commissioner for consumer advocacy shall be directly
25 responsible to and shall perform his functions under the supervision and control of
26 the commissioner of insurance.

27 B.(1) The office of consumer advocacy, through the deputy commissioner of
28 consumer advocacy, shall perform the following duties and functions concerning
29 products or services regulated by the Department of Insurance:

1 (a) Receive inquiries ~~and complaints~~ from consumers.

2 (b) Prepare and disseminate such information as the ~~department~~
3 **commissioner** deems appropriate to inform or assist consumers.

4 * * *

5 C. ~~The deputy commissioner for consumer advocacy may be terminated~~
6 ~~without cause shown. A written report of termination shall be compiled by the~~
7 ~~commissioner of insurance and delivered to the clerk of the House of Representatives~~
8 ~~and the secretary of Senate at least ten days before the termination and shall be~~
9 ~~disclosed to the members of the respective houses of the legislature upon request.~~

10 **The deputy commissioner for consumer advocacy shall be responsible for**
11 **the functions of the division of minority affairs within the department. There**
12 **shall be a director of minority affairs who shall be appointed by the**
13 **commissioner and who shall serve at the pleasure of and at a salary fixed by the**
14 **commissioner, which salary shall not exceed the amount approved for the**
15 **position by the legislature.**

16 Section 3. R.S. 22:31(6), 32(D) and (E) and R.S. 36:696(B)(1)(e) are hereby
17 repealed.

18 Section 4. This Act shall become effective upon signature by the governor or, if not
19 signed by the governor, upon expiration of the time for bills to become law without signature
20 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
21 vetoed by the governor and subsequently approved by the legislature, this Act shall become
22 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Cheryl Horne.

SB 216 Original

DIGEST
2015 Regular Session

Morrish

Present law requires the Dept. of Ins. to be comprised of the office of the commissioner, the office of management and finance, the office of property and casualty, the office of licensing and compliance, the office of financial solvency, the office of consumer advocacy, the office of health insurance, the division of insurance fraud, the division of legal services, the division of public affairs, the division of minority affairs, and any other office or division that may be included in present law.

Proposed law changes the office of health insurance to the office of health, life, and annuity. Adds the office of consumer services and removes the division of minority affairs as part of the composition of the department.

Present law provides for the division of minority affairs with the functions and duties which include the requirement to develop a pilot program that seeks to address the needs and concerns of minority and women producers in the state.

Proposed law deletes the pilot program provisions.

Proposed law requires the division of minority affairs to review all complaints alleging a violation of the provisions of present law with regard to equal opportunity in insurance. Further requires the division of minority affairs to notify an insurer against whom a complaint was filed of the nature of the complaint and provide the insurer with the opportunity to make a written explanation.

Proposed law requires the division of minority affairs to report apparent violations of present law to the commissioner who may commence enforcement proceedings in accordance with present law.

Present law creates an advisory committee on equal opportunity within the department with the function to review all complaints alleging a violation of the provisions of present law with regard to equal opportunity in insurance.

Proposed law removes this review function.

Present law creates a deputy commissioner of minority affairs appointed by the commissioner who serves at the pleasure of the commissioner at a salary fixed by the commissioner and requires Senate confirmation of the appointment.

Proposed law deletes these provisions and creates the division of consumer services under the direction of the deputy commissioner of consumer services. Provides that the duties and functions of the division and the deputy commissioner shall be responsible for the receipt and processing of consumer complaints, market conduct analysis and examination, and such additional duties and functions as are assigned by the commissioner.

Proposed law creates the office of health, life and annuity with the responsibility for the development and administration of health insurance pilot programs, research and development of rules and regulations to implement health insurance reform legislation, research and development of health insurance reform measures that broaden the availability of health insurance coverage in the state, liaison activities for the Depart. of Ins. with other state and national agencies for policy on health insurance, preparation of proposed health insurance reform legislation by the department; general research and implementation issues concerning health insurance policy, and additional duties and functions as assigned by the commissioner.

Present law provides for the office of consumer advocacy in the department which is under the direction of the deputy commissioner for consumer advocacy who is appointed by the commissioner with advice and concurrence of the Senate and House committees on insurance.

Proposed law removes the requirement of the appointment of the deputy commissioner for consumer advocacy with advice and concurrence of the Senate and House committees on insurance.

Present law requires the salary and benefits of the deputy commissioner for consumer advocacy to be the same as the majority of the deputy commissioners of the department.

Proposed law requires the salary of the deputy commissioner for consumer advocacy not to exceed the amount approved for the position by the legislature.

Present law permits the deputy commissioner for consumer advocacy to be terminated without cause shown. Further requires a written report of termination to be compiled by the commissioner and delivered to the clerk of the House of Representatives and the secretary of the Senate at least ten days before the termination.

Proposed law deletes the termination provisions.

Proposed law requires the deputy commissioner for consumer advocacy to be responsible for the functions of the division of minority affairs within the department. Further requires a director of minority affairs to be appointed by the commissioner who shall serve at the pleasure of and at a salary fixed by the commissioner, which salary shall not exceed the amount approved by the legislature.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 22:3, 32(C), 33(A)(intro para), R.S. 36:681(C)(1), 687, 691.1, 692, 694, 696(A), (B)(1)(a) and (b), and (C); adds R.S. 22:31(C) and (D); repeals R.S. 22:31(6), 32(D) and (E), and R.S. 36:696(B)(1)(e))