

(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)

INSURANCE COMMISSIONER: Provides for appointment of counsel in matters related to rehabilitation, liquidation, or conservation of insurers, and for the distribution of receivership assets by the commissioner of insurance

DIGEST

Abstract: Provides for the appointment of counsel in the rehabilitation, liquidation, or conservation of insurers, and for the distribution of surplus receivership assets by the commissioner of insurance.

Present law provides that in connection with matters involving rehabilitation, liquidation, or conservation of domestic insurers in receivership, the commissioner of insurance (commissioner) has the power to appoint special deputies, clerks, or assistants. The compensation of such individuals is fixed. Associated expenses are required to be approved by the commissioner and the court and are to be paid out of the funds or assets of the insurer.

Proposed law adds attorneys to the list of individuals the commissioner can appoint.

Proposed law provides that the commissioner may employ staff counsel of the Dept. of Insurance or special counsel to provide representation in all matters in which the assets of an insurer's estate are less than \$1 million. The fees and expenses of staff or special counsel may be reimbursed upon approval by the commissioner and the court and paid from the funds or assets of the insurer.

Proposed law mandates representation of the commissioner by the attorney general in matters in which the insurer's assets equal or exceed \$1 million. Further provides that the attorney general may appoint special counsel to provide this representation. Requires the attorney to submit a certification of expenses and legal fees for staff and special counsel to be paid out of the funds or assets of the insurer.

Proposed law provides that attorneys employed by the attorney general are to be named by the commissioner with approval of the attorney general and shall perform their duties under the supervision of the attorney general.

Provides that proposed law is to be given retroactive application to pending proceedings.

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

(Amends R.S. 22:2018 and 2034(G))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Clarify that the commissioner of insurance has the power to employ attorneys to assist him in matters related to the rehabilitation, liquidation, or conservation of insurers.
2. Remove proposed limitation on the commissioner's authority to appoint special counsel in matters related to rehabilitation, liquidation, or conservation of insurers to matters in which the assets of the insurer's estate are less than \$1 million.

3. Allow reimbursement of the fees and expenses of special counsel appointed by the commissioner to assist in matters related to rehabilitation, liquidation, or conservation of insurers.
4. Remove requirement that the attorney general represent the commissioner in matters covered in present law.
5. Remove authority for the attorney general to appoint special counsel or to provide for his expenses.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the engrossed bill

1. Adds the limitation on the commissioner's authority to appoint special counsel in matters related to rehabilitation, liquidation, or conservation of insurers to matters in which the assets of the insurer's estate are less than \$1million.
2. Adds the requirement that the attorney general represent the commissioner in matters covered in present law for cases in which insurer's assets equal or exceed \$1 million.
3. Adds the authority for the attorney general to appoint special counsel and to provide for his expenses.