

## DIGEST

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SB 369 Engrossed

2024 Regular Session

Bass

Present law provides for prohibited practices and sanctions for a person that commits insurance fraud.

Proposed law retains present law and adds the 19th Judicial District Court, parish of East Baton Rouge, as an appropriate venue for a matter arising out of a violation of present law.

Present law provides prohibited practices and sanctions for a person who commits automobile insurance fraud.

Proposed law retains present law and adds the 19th Judicial District Court, parish of East Baton Rouge, as an appropriate venue for a matter arising out of a violation of present law.

Present law authorizes the commissioner of insurance (commissioner) to assess an insurer a fraud assessment fee to support the costs of an investigation, enforcement, public education, public awareness, and prosecution of insurance fraud in this state.

On or after Jan. 1, 2004, present law requires the fraud assessment fee to be reduced by the amount of the excess proportion if an insurer is assessed a fraud assessment fee that exceeds 5% of the cumulative cost for the previous year.

Proposed law retains present law but makes technical changes including removing the effective date that has passed.

Present law authorizes the commissioner to withhold up to \$30,000 per year from the fees collected to defray the costs of collecting the fee, enforcement, and operation of the Dept. of Insurance. Further requires the commissioner to withhold \$187,000 of the fraud assessment fee to fund the La. Automobile Theft and Insurance Fraud Prevention Authority (LATIFPA).

Proposed law retains present law but removes funding for LATIFPA and provides that the funds are to be used to fund insurance fraud detection, investigation, and public awareness.

Present law requires the fraud assessment fee to be used to support the costs of an investigation, enforcement, public education, public awareness, and prosecution of insurance fraud in this state, and requires the fraud assessment fee to be allocated as follows:

- (1) 75% to the insurance fraud investigation unit within the office of state police.
- (2) 15% to the Dept. of Justice for the insurance fraud support unit.
- (3) 10% to the Dept. of Insurance for the insurance fraud section.

Proposed law retains present law but adds that the purpose of the assessment fee is to support the costs of an investigation, enforcement, public education, public awareness, and prosecution of insurance fraud in this state. Requires the funds to be allocated to the insurance fraud investigation unit within the state police, the insurance fraud support unit within the Dept. of Justice, the section of insurance fraud within the Dept. of Insurance, and other state agencies that enter into a written agreement with the superintendent of state police, the attorney general, and the commissioner on or before Sept. 30, 2024.

Present law creates the Insurance Fraud Investigation Dedicated Fund Account (account), and requires the account to be appropriated, administered, and used solely and exclusively for purposes of the fraud unit, fraud support unit, insurance fraud section, and LATIFPA.

Proposed law retains present law but removes LATIFPA.

Proposed law relative to venue becomes effective upon signature of the governor or lapse of time for gubernatorial action.

Proposed law relative to insurance fraud becomes effective on Sept. 1, 2024.

(Amends R.S. 40:1428(A)(3) and (4) and (C); Adds R.S. 22:1924(C) and 1925(D); Repeals R.S. 40:1429)

Summary of Amendments Adopted by Senate

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

1. Makes a technical change.
2. Restores present law that allocates funds to certain agencies for the sole purpose of supporting the costs of an investigation, enforcement, public education, public awareness, and prosecution of insurance fraud in this state.
3. Changes the effective date.

Summary of Amendments Adopted by House

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

1. Make technical changes.