

SENATE BILL NO. 369

BY SENATOR BASS

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AN ACT

To amend and reenact R.S. 40:1428(A)(3) and (4) and (C), to enact R.S. 22:1924(C) and 1925(D), and to repeal R.S. 40:1429, relative to insurance fraud; to provide for venue in insurance fraud cases; to provide for the allocation of insurance fraud assessment funds; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1924(C) and 1925(D) are hereby enacted to read as follows:

§1924. Prohibited activities and sanctions

* * *

C. In addition to the venue established by the Code of Criminal Procedure Articles 611 and 614, venue shall also be appropriate in the Nineteenth Judicial District Court, parish of East Baton Rouge.

§1925. Automobile insurance policies

* * *

D. In addition to the venue established by the Code of Criminal Procedure Articles 611 and 614, venue shall also be appropriate in the Nineteenth Judicial District Court, parish of East Baton Rouge.

Section 2. R.S. 40:1428(A)(3) and (4) and (C) are hereby amended and reenacted to read as follows:

§1428. Special assessment; creation of dedicated fund account

1 A.(1) * * *

2 (3) ~~On and after January 1, 2004, if~~ **If** the fee assessed for the previous year
 3 exceeds by five percent of the cumulative costs of the previous year of operating the
 4 insurance fraud programs to which funds are allocated, the fee assessment for the
 5 next year shall be reduced by the amount of the excess in proportion to the
 6 assessment; ~~however,~~ **If** any entity listed in ~~Subparagraph (4)(b)~~ **Paragraph (4)** of
 7 this Subsection ~~that~~ expends its allocation, **the entity** shall receive at least the same
 8 allocation for the next year.

9 (4)(a) Prior to making the allocations specified in Subparagraph (b) of this
 10 Paragraph, the commissioner of insurance is authorized to withhold the sum of thirty
 11 thousand dollars per year from the fees collected pursuant to this Section to defray
 12 the expense of collection of the fees, enforcement of this Subpart, and operation of
 13 the Department of Insurance and shall withhold one hundred eighty-seven thousand
 14 dollars to fund ~~the Louisiana Automobile Theft and Insurance Fraud Prevention~~
 15 ~~Authority pursuant to R.S. 22:2134~~ **insurance fraud detection, investigation, and**
 16 **public awareness.**

17 (b) **Except as otherwise provided in Subparagraph (a) of this Paragraph,**
 18 **the fees collected shall be used solely for the purposes of this Subpart and shall**
 19 **be allocated to the insurance fraud investigation unit within the office of state**
 20 **police, the insurance fraud support unit within the Department of Justice, the**
 21 **section of insurance fraud within the Department of Insurance, and other state**
 22 **agencies in accordance with a written agreement entered into by the**
 23 **superintendent of state police, the attorney general, and the commissioner of**
 24 **insurance.**

25 (c) Except as otherwise provided in Subparagraph (a) of this Paragraph, **if a**
 26 **written agreement is not entered into pursuant to Subparagraph (b) of this**
 27 **Paragraph no later than September thirtieth,** the fees collected **in the next fiscal**
 28 **year** shall be used solely for the purposes of this Subpart and shall be allocated as
 29 follows:

30 (i) Seventy-five percent of the fees collected shall be allocated to the

1 insurance fraud investigation unit within the office of state police.

2 (ii) Fifteen percent of the fees collected shall be allocated to the Department
3 of Justice to be used solely for the insurance fraud support unit.

4 (iii) Ten percent of the fees collected shall be allocated to the Department of
5 Insurance to be used solely for the section of insurance fraud.

6 * * *

7 C. After compliance with the requirements of Article VII, Section 9(B) of the
8 Constitution of Louisiana relative to the Bond Security and Redemption Fund, an
9 amount equal to that deposited as required by Subsection B of this Section shall be
10 credited to a special statutorily dedicated fund account hereby created in the state
11 treasury to be known as the Insurance Fraud Investigation Dedicated Fund Account,
12 hereafter referred to in this Subsection as the "account". The monies shall be
13 irrevocably dedicated and deposited in the account and shall be used solely as
14 provided in Subsection A of this Section and only in the amounts appropriated by the
15 legislature. Monies in the account shall be appropriated, administered, and used
16 solely and exclusively for purposes of the fraud unit, fraud support unit, insurance
17 fraud section, ~~LATHFA~~, and as further provided in this Section. All unexpended and
18 unencumbered monies in the account at the end of the fiscal year shall be refunded
19 to each insurer licensed by the Department of Insurance to conduct business in this
20 state assessed a fee pursuant to this Section on a pro-rata basis based on each
21 insurer's proportionate share of the total fees collected pursuant to this Section.
22 Monies deposited into the account shall be categorized as fees and self-generated
23 revenue for the sole purpose of reporting related to the executive budget, supporting
24 documents, and general appropriation bills and shall be available for annual
25 appropriation by the legislature.

26 * * *

27 Section 3. R.S. 40:1429 is hereby repealed in its entirety.

28 Section 4. Sections 1, 3, and 5 of this Act and this Section shall become effective
29 upon signature by the governor or, if not signed by the governor, upon expiration of the time
30 for bills to become law without signature by the governor, as provided by Article III, Section

1 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved
2 by the legislature, this Act shall become effective on the day following such approval.

3 Section 5. Section 2 of this Act shall become effective on September 1, 2024.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____