

2025 Regular Session

HOUSE BILL NO. 401

BY REPRESENTATIVE DICKERSON

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

INSURANCE DEPARTMENT: Provides relative to certain assessed fees on direct premiums of insurers

## 1 AN ACT

2 To amend and reenact R.S. 40:1428(C) and to repeal R.S. 40:1428(A)(3), relative to fees  
3 assessed on direct premiums of insurers; to provide relative to fee collection by the  
4 Department of Insurance; to provide for deposits into the Insurance Fraud  
5 Investigation Dedicated Fund Account; to provide for unexpended and  
6 unencumbered funds; to repeal certain fee reductions; to provide for effectiveness;  
7 and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 40:1428(C) is hereby amended and reenacted to read as follows:

10 §1428. Special assessment; creation of dedicated fund account

11 \* \* \*

12 C. After compliance with the requirements of Article VII, Section 9(B) of  
13 the Constitution of Louisiana relative to the Bond Security and Redemption Fund,  
14 an amount equal to that deposited as required by Subsection B of this Section shall  
15 be credited to a special statutorily dedicated fund account created in the state treasury  
16 to be known as the Insurance Fraud Investigation Dedicated Fund Account, hereafter  
17 referred to in this Subsection as the "account". The monies shall be irrevocably  
18 dedicated and deposited in the account and shall be used solely as provided in  
19 Subsection A of this Section and only in the amounts appropriated by the legislature.

1 Monies in the account shall be appropriated, administered, and used solely and  
2 exclusively for purposes of the fraud unit, fraud support unit, insurance fraud section,  
3 and as further provided in this Section. All unexpended and unencumbered monies  
4 in the account at the end of the fiscal year shall ~~be refunded to each insurer licensed~~  
5 ~~by the Department of Insurance to conduct business in this state assessed a fee~~  
6 ~~pursuant to this Section on a pro-rata basis based on each insurer's proportionate~~  
7 ~~share of the total fees collected pursuant to this Section~~ remain in the account.  
8 Monies deposited into the account shall be categorized as fees and self-generated  
9 revenue for the sole purpose of reporting related to the executive budget, supporting  
10 documents, and general appropriation bills and shall be available for annual  
11 appropriation by the legislature.

12 \* \* \*

13 Section 2. R.S. 40:1428(A)(3) is hereby repealed in its entirety.

14 Section 3. The provisions of this Act shall become effective upon effective upon  
15 signature by the governor or, if not signed by the governor, upon expiration of the time for  
16 bills to become law without signature by the governor, as provided by Article III, Section  
17 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by  
18 the legislature, this Act shall become effective on the day following such approval.

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#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 401 Engrossed

2025 Regular Session

Dickerson

**Abstract:** Provides relative to fees assessed to insurers and certain unexpended and unencumbered funds.

Present law authorizes the commissioner of insurance to assess a fee on the direct premiums received by each insurer licensed by the La. Dept. of Insurance (LDI). Proposed law retains present law.

Present law requires LDI to reduce the fee assessment by the amount exceeding 5% of the cumulative costs of the previous year of operating insurance fraud programs for which funds were allocated. Requires certain state entities to receive at least the same allocation for the next year if the entity expends its allocation. Proposed law repeals present law.

Present law provides for unexpended and unencumbered monies in the Insurance Fraud Investigation Dedicated Fund Account (account). Generally requires unexpended and unencumbered monies in the account at the end of the fiscal year to be refunded to each licensed insurer.

Proposed law modifies present law to require unexpended and unencumbered monies in the account at the end of the fiscal year to remain in the account.

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

(Amends R.S. 40:1428(C); Repeals R.S. 40:1428(A)(3))