

2026 Regular Session

SENATE BILL NO. 323

BY SENATORS BASS AND TALBOT

HEALTH/ACC INSURANCE. Provides relative to penalties for violations of the Louisiana Insurance Code. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 22:18(A), 1860, 1969, and 1970(A), relative to penalties for
3 violations of the Louisiana Insurance Code concerning pharmacy benefits; to provide
4 for the commissioner of insurance's authority to issue penalties for certain violations;
5 to repeal the maximum aggregate amount of fines that may be levied by the
6 commissioner for certain violations; to provide for an effective date; and to provide
7 for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 22:18(A), 1860, 1969, and 1970(A) are hereby amended and
10 reenacted to read as follows:

11 §18. Suspension or revocation of insurers' licenses; fines; orders

12 A.(1) The **Except as provided in Paragraph (2) of this Subsection, the**
13 commissioner of insurance may, as a penalty, in accordance with R.S. 49:977.3,
14 refuse to renew, or may suspend, or revoke the certificate of authority or license of
15 any insurer, person, or entity violating any of the provisions of this Code, or in lieu
16 of suspension or revocation of a certificate or license duly issued, the commissioner
17 may levy a fine not to exceed one thousand dollars for each violation per insurer,

1 person, or entity, up to one hundred thousand dollars aggregate for all violations in
 2 a calendar year per insurer, person, or entity, when such violations warrant the
 3 refusal, suspension, or revocation of such certificate or license, or the imposition of
 4 the fine. The commissioner is also authorized to order any insurer, person, or entity
 5 to cease and desist any such action that violates any provision of this Code. An
 6 aggrieved party affected by the commissioner's decision, act, or order may demand
 7 a hearing in accordance with Chapter 12 of this Title, R.S. 22:2191 et seq. If the
 8 insurer has demanded a timely hearing, the penalty or fine ordered by the
 9 commissioner shall not be imposed until such time as the division of administrative
 10 law makes a finding that the penalty or fine is warranted in a proper hearing, held in
 11 the manner provided in Chapter 12 of this Title.

12 **(2) In the case of a violation pertaining to pharmacy benefits including**
 13 **but not limited to payment for prescription drugs or pharmacist services, as**
 14 **defined in R.S. 22:1852, covered under insurance or other contracts that**
 15 **provide for pharmacy benefits, the commissioner shall levy a fine of twenty-five**
 16 **thousand dollars for each violation per insurer, person, or entity, with no**
 17 **aggregate dollar maximum. If a violation for which the commissioner has levied**
 18 **a fine in accordance with this Paragraph is not corrected within thirty days**
 19 **after notice of the fine is received by the insurer, person, or entity, the**
 20 **commissioner shall suspend or revoke the certificate of authority or license of**
 21 **the insurer, person, or entity in accordance with R.S. 49:977.3.**

22 * * *

23 §1860. Violations; cease and desist orders; penalties

24 A. Whenever the commissioner has reason to believe that any health
 25 insurance issuer is not in full compliance with the requirements of this Subpart, the
 26 commissioner shall notify such issuer in accordance and compliance with R.S.
 27 49:977.3 and, after notice, the commissioner shall issue and cause to be served an
 28 order requiring the health insurance issuer to cease and desist from any violation and
 29 order any one or more of the following:

1 (1) Payment of a monetary penalty of ~~not more than one thousand dollars for~~
2 ~~each and every act or violation, not to exceed an aggregate penalty of one hundred~~
3 ~~thousand dollars. However, if the health insurance issuer knew or reasonably should~~
4 ~~have known that it was in violation of this Subpart, the penalty shall be not more~~
5 ~~than twenty-five thousand dollars for each and every act or violation, but not to~~
6 ~~exceed an aggregate penalty of two hundred fifty thousand dollars in any six-month~~
7 ~~period~~ **with no aggregate penalty maximum.**

8 (2) Suspension or revocation of the certificate of authority of the health
9 insurance issuer to operate in this state ~~if it knew or reasonably should have known~~
10 ~~it was in violation of this Subpart.~~ However, notice of any such violation by the
11 Office of Group Benefits shall be submitted to the governor and the chairmen of the
12 House Committee on Appropriations and the Senate Committee on Finance.

13 B. Any health insurance issuer who violates a cease and desist order issued
14 by the commissioner pursuant to this Section and in accordance with R.S. 49:977.3
15 while such order is in effect shall, after notice, be subject at the discretion of the
16 commissioner to any one or more of the following:

17 (1) A monetary penalty of ~~not more than~~ twenty-five thousand dollars for
18 each and every act or violation, ~~not to exceed an aggregate of two hundred fifty~~
19 ~~thousand dollars~~ **with no aggregate penalty maximum.**

20 (2) Suspension or revocation of the certificate of authority of the health
21 insurance issuer to operate in this state. However, notice of any such violation by the
22 Office of Group Benefits shall be submitted to the governor and the chairmen of the
23 House Committee on Appropriations and the Senate Committee on Finance.

24 **C. If a violation for which the commissioner has issued a cease and desist**
25 **order pursuant to this Section is not corrected within thirty days after notice of**
26 **the cease and desist order is received by the health insurance issuer, the**
27 **commissioner shall suspend or revoke the certificate of authority of the health**
28 **insurance issuer in accordance with R.S. 49:977.3.**

29 ~~C.D.~~ An aggrieved party affected by the commissioner's decision, act, or

1 order may demand a hearing in accordance with Chapter 12 of this Title, R.S.
2 22:2191 et seq.

3 * * *

4 §1969. Violations; penalties

5 A. If, after receiving the person's answer or response or if no answer or
6 response is received within twenty days of receipt of mailing, faxing, or electronic
7 or physical delivery of the notice, the commissioner shall determine that the person
8 charged has engaged in an unfair method of competition or an unfair or deceptive act
9 or practice, the commissioner shall reduce his findings to writing and shall issue and
10 cause to be served upon the person charged with the violation a copy of such
11 findings and an order requiring such person to cease and desist from engaging in
12 such method of competition, act, or practice and, **except as provided in Subsection**
13 **B of this Section,** order any one or more of the following:

14 (1) Payment of a monetary penalty of not more than one thousand dollars for
15 each and every act or violation, but not to exceed an aggregate penalty of one
16 hundred thousand dollars unless the person knew or reasonably should have known
17 he was in violation of this Part, in which case the penalty shall be not more than
18 twenty-five thousand dollars for each and every act or violation, but not to exceed
19 an aggregate penalty of five hundred thousand dollars in any six-month period.

20 (2) Suspension or revocation of the license of the person if he knew or
21 reasonably should have known he was in violation of this Part.

22 **B. In the case of a violation pertaining to pharmacy benefits including**
23 **but not limited to payment for prescription drugs or pharmacist services, as**
24 **defined in R.S. 22:1852, covered under insurance or other contracts that**
25 **provide for pharmacy benefits, the commissioner shall levy a fine of twenty-five**
26 **thousand dollars for each violation with no aggregate dollar maximum. If a**
27 **violation for which the commissioner has levied a fine in accordance with this**
28 **Subsection is not corrected within thirty days after notice of the cease and desist**
29 **order is received by the person, the commissioner shall suspend or revoke the**

1 **person's certificate of authority or license in accordance with R.S. 49:977.3.**

2 ~~B.C.~~ An aggrieved party affected by the commissioner's decision, act, or
3 order may demand a hearing in accordance with Chapter 12 of this Title, R.S.
4 22:2191 et seq.

5 §1970. Cease and desist order; penalty for violation

6 A. Any person who violates a cease and desist order of the commissioner
7 under R.S. 22:1969 and while such order is in effect may after compliance with R.S.
8 49:977.3 be subject at the discretion of the commissioner to any one or more of the
9 following:

10 (1) ~~A~~ **Except as provided in Paragraph (3) of this Subsection, a** monetary
11 penalty of not more than twenty-five thousand dollars for each and every act or
12 violation, not to exceed an aggregate of two hundred fifty thousand dollars.

13 (2) Suspension or revocation of such person's license or certificate of
14 authority.

15 **(3) In the case of a violation pertaining to pharmacy benefits including**
16 **but not limited to payment for prescription drugs or pharmacist services, as**
17 **defined in R.S. 22:1852, covered under insurance or other contracts that**
18 **provide for pharmacy benefits, the commissioner shall levy a fine of twenty-five**
19 **thousand dollars for each violation with no aggregate dollar maximum. If a**
20 **violation for which the commissioner has levied a fine in accordance with this**
21 **Paragraph is not corrected within thirty days after notice of the violation is**
22 **received by the person, the commissioner shall suspend or revoke the person's**
23 **certificate of authority or license in accordance with R.S. 49:977.3.**

24 * * *

25 Section 2. This Act shall become effective upon signature by the governor or, if not
26 signed by the governor, upon expiration of the time for bills to become law without signature
27 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
28 vetoed by the governor and subsequently approved by the legislature, this Act shall become
29 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 Senate Legislative Services. The keyword, summary, 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)]

DIGEST

SB 323 Original

2026 Regular Session

Bass

Present law (R.S. 22:18) provides for the commissioner of insurance's general authority to refuse to renew, suspend, or revoke a certificate of authority or license, or in lieu of suspension or revocation of a certificate or license, to levy a fine not to exceed \$1,000 for each violation up to \$100,000 aggregate for all violations in a calendar year.

Proposed law retains present law but adds an exception that, in the case of a violation pertaining to pharmacy benefits, the commissioner shall levy a fine of \$25,000 for each violation per insurer, person, or entity with no aggregate dollar maximum. Proposed law further requires, if a violation is not corrected within 30 days after notice of the fine is received, the commissioner shall suspend or revoke the certificate of authority or license of the insurer, person, or entity.

Present law (R.S. 22:1860) authorizes, in the case of a violation of present law regarding the payment of pharmacy claims, the commissioner to issue a cease and desist order and also order one or more of the following:

- (1) Payment of a monetary penalty of not more than \$1,000 for each and every act or violation, not to exceed an aggregate penalty of \$100,000.
- (2) If the health insurance issuer knew or reasonably should have known of the violation, Payment of a monetary penalty not more than \$25,000 for each and every act or violation, not to exceed an aggregate penalty of \$250,000 in any six-month period.
- (3) Suspension or revocation of the certificate of authority if the insurer knew or should have known of the violation.

Proposed law narrows the monetary penalty option to \$25,000 for each and every act or violation, with no aggregate penalty maximum, and repeals the requirement that the insurer knew or should have known of the violation for suspension or revocation of the certificate of authority.

Present law provides in the case of a violation of the cease and desist order, the commissioner may order any one or more of the following:

- (1) Payment of a monetary penalty of not more than \$25,000 for each and every act or violation, not to exceed an aggregate penalty of \$250,000.
- (2) Suspension or revocation of the certificate of authority.

Proposed law removes the maximum aggregate cap for the monetary penalty.

Proposed law requires, if a violation for which the commissioner has issued a cease and desist order is not corrected within 30 days after notice of the cease and desist order is received, the commissioner to suspend or revoke the certificate of authority of the health insurance issuer.

Present law (R.S. 22:1969) authorizes the commissioner to issue a cease and desist letter to a person engaged in an unfair method of competition or an unfair or deceptive act or practice

and to order any one or more of the following:

- (1) Payment of a monetary penalty of not more than \$1,000 for each and every act or violation, not to exceed an aggregate penalty of \$100,000.
- (2) If the person knew or reasonably should have known of the violation, payment of a monetary penalty not more than \$25,000 for each and every act or violation, not to exceed an aggregate penalty of \$500,000 in any six-month period.
- (3) Suspension or revocation of the license if the person knew or should have known of the violation.

Proposed law, in the case of an unfair method of competition or an unfair or deceptive act or practice pertaining to pharmacy benefits, narrows the monetary penalty option to \$25,000 for each violation with no aggregate penalty maximum.

Proposed law further requires, if a violation is not corrected within 30 days after notice of the cease and desist order is received, the commissioner shall suspend or revoke the person's license.

Present law (R.S. 22:1970) provides that in the case of a violation of the cease and desist order for an unfair method of competition or an unfair or deceptive act or practice, the commissioner may order any one or more of the following:

- (1) Payment of a monetary penalty of not more than \$25,000 for each and every act or violation, not to exceed an aggregate penalty of \$250,000.
- (2) Suspension or revocation of the certificate of authority or license.

Proposed law in the case of an unfair method of competition or an unfair or deceptive act or practice pertaining to pharmacy benefits, narrows the monetary penalty option to \$25,000 for each violation with no aggregate penalty maximum.

Proposed law requires, if the violation of the cease and desist order is not corrected within 30 days after notice of the violation is received, the commissioner to suspend or revoke the person's certificate of authority or license.

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

(Amends R.S. 22:18(A), 1860, 1969, and 1970(A))