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DIGEST

SB 323 Engrossed

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))