
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Beth O'Quin.

SB 369 Engrossed DIGEST Bass
2024 Regular Session

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

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

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

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

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.

Present law provides on or after Jan. 1, 2004, if an insurer is assessed a fraud assessment fee that exceeds five percent of the cumulative cost for the previous year, the fraud assessment fee shall be reduced by the amount of the excess proportion.

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

Present law provides the commissioner may 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. Present law requires the commissioner withhold \$187,000 of the fraud assessment fee to fund the Louisiana Automobile Theft and Insurance Fraud Prevention Authority (LATIFPA).

Proposed law retains present law but removes funding for LATIFPA and provides 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 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 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. Proposed law requires the funds 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 to other state agencies that enter into a written agreement with the superintendent of state police, the attorney general, and the commissioner on or before September 30th.

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

Proposed law relative to insurance fraud is effective September 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.