RÉSUMÉ DIGEST

ACT 720 (HB 1241) **2026 Regular Session** **Firment**

Existing law establishes the enforcement of child support obligations through the Department of Children and Family Services (DCFS).

New law (R.S. 22:2472) establishes a child support insurance intercept program, mandating insurers to conduct data matches with the office of child support within DCFS prior to issuing certain insurance payments. New law seeks to ascertain whether a claimant has outstanding child support obligations.

New law defines "claimant" as an individual who files a liability claim for bodily injury or wrongful death, or a workers' compensation benefits claim, and explicitly excludes claims filed under uninsured or underinsured motor vehicle coverage.

New law delineates a "qualifying payment" as a one-time or installment payment exceeding $500, made by an insurer to a claimant in settlement of a claim for general damages or lost wages. Insurers are authorized to conduct the required data matches via insurance claim data collection organizations, federal child support enforcement systems, child support lien networks, or direct exchanges with DCFS, consistent with applicable state and federal privacy laws.

Upon receipt of notification from DCFS identifying a child support obligation and specifying the amount owed, the insurer is required to withhold the designated amount from the qualifying payment and remit such funds to DCFS within a period of 20 days. No later than 60 days after the remittance of these funds, DCFS must determine the accuracy of the amount owed and return any excess amount not owed to the claimant.

New law prioritizes certain claims over withholding for child support, including reasonable attorneys' fees and litigation expenses, claims for property damage or loss, unpaid medical expenses causally linked to the claim, and funeral or burial expenses.

New law establishes strict confidentiality requirements for the exchange of information between insurers and DCFS, limiting the use and disclosure of such information to purposes directly pertaining to child support enforcement.

New law stipulates that an insurer or other entity not be held liable in any civil or criminal action for actions undertaken in good faith in accordance with the provisions of the new law, including but not limited to the disclosure of information to DCFS, the withholding or remittance of funds, or the payment of claims when the insurer was unaware of a remittance obligation subsequent to conducting a data match.

New law further provides that an insurer shall not delay the disbursement of a qualifying payment to comply with its provisions if such delay would subject the insurer to penalties. However, the insurer is required to afford DCFS a reasonable opportunity to respond to a data match request prior to issuing the payment. It is clarified that withholding requirements apply solely to payments issued after receipt of notice in the case of periodic payments.

New law authorizes the commissioner of insurance to promulgate rules and regulations to implement and enforce its provisions, while affirming DCFS's ongoing authority over matters pertaining to child support enforcement.

Effective July 1, 2027.

(Adds R.S. 22:2472)