
DIGEST

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HB 739 Reengrossed

2026 Regular Session

Berault

Abstract: Pertains to matters of insurance fraud. Defines the term "business of insurance" to address unfair trade practices. Clarifies the investigative authority of the office of insurance fraud.

Present law provides for the investigation of insurance fraud and authorizes the office of insurance fraud to refer cases involving potential criminal violations to the appropriate law enforcement or prosecutorial agencies. Proposed law retains present law while authorizing the office, with consent from the receiving agency, to assist in investigations.

Present law stipulates that the criminal provisions found in present law (R.S. 22:1924 and R.S. 22:1925) are to be investigated, enforced, or prosecuted by relevant law enforcement and prosecutorial agencies. Proposed law retains this framework and clarifies that this requirement is applicable unless otherwise specified by law.

Present law outlines the purpose of the unfair trade practices provisions and defines key terms. Proposed law defines "business of insurance" to include certain activities related to the sale, advertisement, solicitation, or resolution of claims under insurance policies. Proposed law revises the definition of "business of insurance" to state that the provisions of this proposed law shall not apply to attorneys actively providing legal services on behalf of clients, nor to healthcare providers and their representatives who are actively assisting patients with prior authorizations or appeals regarding denials of healthcare services.

Present law prohibits unfair methods of competition and unfair or deceptive acts or practices within the insurance industry. Proposed law preserves this prohibition and clarifies the scope of actions that are deemed unacceptable.

Proposed law authorizes the commissioner to issue notices, orders, and penalties for violations of unfair trade practices. Proposed law expands this authority to include the issuance of notices of wrongful conduct to individuals licensed by the department, in accordance with present law (R.S. 49:977.3) as well as allowing the commissioner to issue cease and desist orders, fines, or take other actions against unlicensed individuals who engage in the business of insurance and commit unfair trade practices. Provides for appeals of actions and grants the commissioner the authority to adopt rules for the electronic delivery of notices.

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

(Amends R.S. 22:1921(D), 1924(B), 1925(B), 1961, 1962(intro. para.),1963, and 1968; Adds R.S. 22:1962(G))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Amend the definition of "Business of Insurance" to clarify that the provisions of proposed law do not apply to certain persons engaged in the practice of law.
2. Provide that appeals of actions taken under proposed law shall be governed by present law, R.S. 22:2191.
3. Remove redundant language from proposed law to maintain consistency with existing statutory format.
4. Make technical changes.

The House Floor Amendments to the engrossed bill:

1. Amend the definition of "Business of Insurance" to clarify that the provisions of the proposed law do not apply to attorneys actively providing legal services on behalf of clients or to healthcare providers and their representatives assisting patients with prior approvals.
2. Make technical changes.