RÉSUMÉ DIGEST

ACT 32 (HB 739) **2026 Regular Session** **Berault**

Existing law establishes a framework for the regulation of insurance fraud and unfair trade practices within the insurance industry. This framework includes the investigative authority vested in the office of insurance fraud and the enforcement authority granted to relevant law enforcement and prosecutorial agencies.

New law preserves the existing statutory framework while clarifying and expanding provisions pertaining to the investigation and enforcement of insurance fraud, and the regulation of unfair trade practices within the insurance industry.

New law stipulates that, upon ascertaining a potential criminal violation during an investigation, the office of insurance fraud shall refer the matter to the pertinent law enforcement or prosecutorial agencies. New law grants the office the authority to assist these agencies, provided that such assistance is rendered with their consent.

New law stipulates that any criminal provisions pertaining to prohibited activities and automobile insurance policies shall be subject to investigation, enforcement, or prosecution by the appropriate law enforcement and prosecutorial authorities, except as otherwise provided by applicable law.

New law revises definitions pertinent to unfair trade practices and establishes a comprehensive definition of "business of insurance". This definition includes activities related to the sale, advertisement, or solicitation of insurance policies, as well as the management or resolution of claims involving insurers, insured parties, and their representatives.

New law clarifies that the "business of insurance" does not include an attorney actively providing legal services to a client, or a healthcare provider or its representative, assisting a patient with a prior authorization or appeal regarding the denial of healthcare services.

New law maintains prohibitions against unfair or deceptive acts or practices in the business of insurance and provides that such conduct remains subject to regulation and enforcement under applicable law.

New law authorizes the commissioner of insurance (commissioner) to issue notices of wrongful conduct, cease-and-desist orders, fines, or other actions against persons engaged in unfair trade practices, including persons not licensed by the department, and provides for appeals in accordance with applicable statutory provisions.

New law authorizes the commissioner to adopt rules to permit electronic delivery of notices.

Effective upon signature of governor (April 30, 2026).

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