SLS 20RS-232 **ORIGINAL**

2020 Regular Session

SENATE BILL NO. 85

BY SENATOR CONNICK

SELF INSURANCE. Provides bad-faith penalties for certain self insurers. (8/1/20)

AN ACT

To amend and reenact R.S. 22:1962(C) and to enact R.S. 32:1042(E), relative to self-insurers; to provide for application of unfair trade practice prohibitions to self-insurers; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1962(C) is hereby amended and reenacted to read as follows:

§1962. Definitions

When used in this Part:

* * *

C. "Insurer" means any person, reciprocal exchange, interinsurer, Lloyds insurer, fraternal benefit society, industrial and burial insurer, or any insurer that markets under the Home Service Marketing distribution method and issues a majority of its policies on a weekly or monthly basis, or any other legal entity engaged in the business of insurance, including insurance producers. **"**Insurer**"** shall also mean medical service plans, hospital service plans, health maintenance organizations, and prepaid limited health care service plans. **"Insurer" shall also mean any person or legal entity issued a certificate of self-insurance pursuant**

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to R.S. 32:1042. For the purposes of this Part, these foregoing entities shall be deemed to be engaged in the business of insurance.

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Section 2. R.S. 32:1042(E) is hereby enacted to read as follows:

§1042. Self-insurers

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E. Any person or any legal entity issued a certificate of self-insurance pursuant to this Section shall be subject to the provisions of Part IV of Chapter 7 of the Insurance Code.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by LG Sullivan.

DIGEST

SB 85 Original 2020 Regular Session Connick

Present law, relative to traffic and motor vehicles allows any person in whose name more than 25 motor vehicles are registered or who owns property in Louisiana assessed in his name having a value of $100,000 or more to qualify as a self-insurer by obtaining a certificate of self-insurance issued by the assistant secretary of the office of motor vehicles.

Present law prohibits insurers from engaging in methods, practices, and acts declared to be unfair or deceptive under present law.

Proposed law retains present law and provides that the prohibitions on unfair or deceptive trade practices applies to anyone with a certificate of self-insurance.

Effective August 1, 2020.

(Amends R.S. 22:1962(C); adds R.S. 32:1042(E))

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