

2022 Regular Session

SENATE BILL NO. 209

BY SENATOR STINE

INSURERS. Authorizes the commissioner of insurance to order certain penalties to persons engaging in an unfair method of competition or an unfair or deceptive act or practice. (8/1/22)

1 AN ACT
2 To amend and reenact R.S. 22:1969(A)(1), relative to the commissioner of insurance; to
3 authorize the commissioner to order certain penalties to persons engaging in an
4 unfair method of competition or an unfair or deceptive act or practice; to increase the
5 maximum penalties for violations; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:1969(A)(1) is hereby amended and reenacted to read as follows:

8 §1969. Violations, penalties

9 A. If, after receiving the person's answer or response or if no answer or
10 response is received within twenty days of receipt of mailing, faxing, or delivery of
11 the notice, the commissioner shall determine that the person charged has engaged in
12 an unfair method of competition or an unfair or deceptive act or practice, he shall
13 reduce his findings to writing and shall issue and cause to be served upon the person
14 charged with the violation a copy of such findings and an order requiring such person
15 to cease and desist from engaging in such method of competition, act, or practice and
16 order any one or more of the following:

17 (1) Payment of a monetary penalty of not more than one thousand dollars for

1 each and every act or violation, but not to exceed an aggregate penalty of one
 2 hundred thousand dollars unless the person knew or reasonably should have known
 3 he was in violation of this Part, in which case the penalty shall be not more than
 4 twenty-five thousand dollars for each and every act or violation, but not to exceed
 5 an aggregate penalty of ~~two hundred fifty thousand dollars~~ **five hundred thousand**
 6 **dollars** in any six-month period.

7 * * *

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

DIGEST

SB 209 Engrossed 2022 Regular Session Stine

Present law provides when the commissioner of insurance determines a person has engaged in an unfair method of competition or an unfair or deceptive act or practice, he is required to reduce his findings to writing and must issue and cause to be served to cease and desist from engaging in such method of competition, act, or practice and must order one or more of the following:

- (1) Pay a monetary penalty of not more than \$1,000 for each and every act or violation, but not to exceed an aggregate penalty of \$100,000 unless the person knew or reasonably should have known he was violating the law, the penalty is no more than \$25,000 for each and every act or violation, but cannot exceed an aggregate penalty of \$250,000 in any six-month period.

Proposed law retains present law but increases the aggregate penalty from \$250,000 to \$500,000.

Effective August 1, 2022.

(Amend R.S. 22:1969(A)(1))