

2022 Regular Session

HOUSE BILL NO. 529

BY REPRESENTATIVE BROWN

1 AN ACT

2 To amend and reenact R.S. 22:3, 1921(A), (C), and (D), 1922(A), 1926,  
3 1928(A)(introductory paragraph), 1929(A), 2132(G)(2), 2161(J), 2171(L), R.S.  
4 36:681(C), 683, 687, 689, and 691.1, to enact R.S. 36:681(D), 686(C)(3) and (4), and  
5 694.1, and to repeal R.S. 36:686(D) and (E), relative to the organization of the  
6 Department of Insurance; to provide for the offices within and officers for the  
7 department; to provide for the administration of certain commissions within the  
8 department; to provide for the chief deputy commissioner of the department; to  
9 create the office of policy, innovation, and research; to provide the duties and  
10 functions of the office and the deputy commissioner of policy, innovation, and  
11 research; to make technical changes; to provide for an effective date; and to provide  
12 for related matters.

13 Be it enacted by the Legislature of Louisiana:

14 Section 1. R.S. 22:3, 1921(A), (C), and (D), 1922(A), 1926, 1928(A)(introductory  
15 paragraph), 1929(A), 2132(G)(2), 2161(J), and 2171(L) are hereby amended and reenacted  
16 to read as follows:

17 §3. Composition of Department of Insurance

18 The Department of Insurance shall be comprised of the office of the  
19 commissioner, the office of management and finance, the office of property and  
20 casualty, the office of licensing, the office of financial solvency, the office of  
21 consumer advocacy and diversity, the office of health, life and annuity, the office of  
22 consumer services, the ~~division~~ office of insurance fraud, the ~~division~~ office of legal

1 services, the office of policy, innovation, and research, the division of public affairs,  
2 the division of diversity and opportunity and any other office or division that may  
3 be included by the Executive Reorganization Act or other law. Each office or  
4 division shall be administered as prescribed by Titles 36 and 39 of the Louisiana  
5 Revised Statutes of 1950.

6 \* \* \*

7 §1921. Purpose and powers

8 A. The purpose of this Part is to create within the Department of Insurance  
9 ~~a division~~ an office of insurance fraud. This ~~division~~ office shall be charged with the  
10 responsibility, when directed by the commissioner of insurance, to conduct  
11 investigations and background criminal checks on each applicant for a license or  
12 certificate of authority to transact a business of insurance. The ~~division~~ office of  
13 insurance fraud shall be governed by the provisions of this Part including the powers  
14 and duties relating to the investigation and prevention of administrative or civil  
15 violations of the insurance laws of this state.

16 \* \* \*

17 C. If the ~~division~~ office has reason to believe, whether acting on its own  
18 initiative or as a result of complaints, that a person has engaged in, or is engaging in,  
19 an act or practice that violates this Part or any other provision of this Code, it may  
20 examine and investigate the affairs of such person and may administer oaths and  
21 affirmations, serve subpoenas ordering the attendance of witnesses, and collect  
22 evidence.

23 D. If during the course of investigation, the ~~division~~ office of insurance fraud  
24 determines that there may be a violation of criminal law, the ~~division~~ office shall turn  
25 the matter over to the Department of Justice; the Department of Public Safety and  
26 Corrections, public safety services, office of state police; and any other appropriate  
27 law enforcement or prosecutorial agency, for further investigation, enforcement, or  
28 prosecution.

29 \* \* \*

1 §1922. Additional powers and duties

2 A. The ~~division~~ office of insurance fraud shall have access to computer  
3 systems, information maintained for the use of law enforcement personnel, any  
4 information contained in the criminal history record and identification file of the  
5 Louisiana Bureau of Criminal Identification and Information, and direct and timely  
6 access to information compiled by the Federal Bureau of Investigation, as contained  
7 in the National Crime Information Center, for the purposes of carrying out its  
8 responsibilities under this Part.

9 \* \* \*

10 §1926. Duties of companies and others

11 A. Any person, company, or other legal entity including but not limited to  
12 those engaged in the business of insurance, including producers and adjusters, that  
13 suspects that a fraudulent insurance act will be, is being, or has been committed  
14 shall, within sixty days of the receipt of such notice, send to the ~~division~~ office of  
15 insurance fraud, on a form prescribed by the commissioner, the information  
16 requested and such additional information relative to the insurance act and the parties  
17 claiming loss or damages because of an occurrence or accident as the commissioner  
18 may require. The ~~division~~ office of insurance fraud shall review such reports and  
19 select such insurance acts as, in its judgment, may require further investigation. It  
20 shall then cause an independent examination of the facts surrounding such insurance  
21 act to be made to determine the extent, if any, to which fraud, deceit, or intentional  
22 misrepresentation of any kind exists in the submission of the insurance act.

23 B. The ~~division~~ office of insurance fraud shall report any alleged violations  
24 of law which its investigations disclose to the appropriate licensing agency, the  
25 insurance fraud investigation unit of the office of state police, the insurance fraud  
26 support unit of the Department of Justice, and the prosecutive authority having  
27 jurisdiction with respect to any such violation. These units shall work jointly on  
28 criminal referrals.

29 \* \* \*

1 §1928. Civil immunity

2 A. No insurer, employees, or agents of any insurer, or any other person  
3 acting without malice, fraudulent intent, or bad faith, shall be subject to civil liability  
4 for libel, slander, or any other relevant tort, and no civil cause of action of any nature  
5 shall exist against such person or entity by virtue of the filing of reports or furnishing  
6 other information, either orally or in writing, concerning suspected, anticipated, or  
7 completed fraudulent insurance acts when such reports or information are required  
8 by this Part or required by the ~~division~~ office of insurance fraud as a result of the  
9 authority ~~herein~~ granted pursuant to this Part or when such reports or information are  
10 provided to or received from:

11 \* \* \*

12 §1929. Confidentiality of criminal background checks; civil penalties

13 A. Notwithstanding any other provision of law to the contrary, criminal  
14 background information in the possession of the ~~division~~ office of insurance fraud  
15 of the Department of Insurance shall be confidential and shall not be disclosed to  
16 others outside of the ~~division~~ office of insurance fraud except as necessary for action  
17 on the application of the applicant.

18 \* \* \*

19 §2132. Authority; creation, powers

20 \* \* \*

21 G.

22 \* \* \*

23 (2) ~~A director and assistant director shall be selected by the board and serve~~  
24 ~~at the pleasure of the~~ The ~~commissioner of insurance, shall be considered public~~  
25 ~~employees, and shall operate the daily affairs of the authority as specified herein in~~  
26 this Section and by the board.

27 \* \* \*



1           C.(1) The officers of the department shall be the commissioner of insurance;  
 2           the chief deputy commissioner, if one is appointed; the deputy commissioner for  
 3           management and finance; the deputy commissioner for policy, innovation, and  
 4           research; the deputy commissioner for property and casualty; the deputy  
 5           commissioner for insurance fraud; the deputy commissioner for licensing; the deputy  
 6           commissioner for financial solvency; the deputy commissioner for health, life, and  
 7           annuity; the deputy commissioner for public affairs; the deputy commissioner for  
 8           consumer services; the deputy commissioner for consumer advocacy and diversity;  
 9           the assistant commissioner of diversity and opportunity; and the executive counsel.

10           (2) With the exception of the commissioner of insurance, each shall be  
 11           appointed by the commissioner of insurance with the consent of the Senate and shall  
 12           serve at the pleasure of the commissioner of insurance, at a salary fixed by the  
 13           commissioner, which salary shall not exceed the amount approved for such position  
 14           by the legislature while in session. Their duties and functions shall be determined  
 15           and assigned by the commissioner of insurance and as provided in this Title. ~~When~~  
 16           ~~a chief deputy commissioner is appointed, he shall be the first assistant to the~~  
 17           ~~commissioner appointed pursuant to Article IV, Section 13 of the Constitution of~~  
 18           ~~Louisiana.~~

19           (3) If a chief deputy commissioner is appointed, he shall be the first assistant  
 20           to the commissioner of insurance appointed pursuant to Article IV, Section 13 of the  
 21           Constitution of Louisiana. If a chief deputy commissioner is not appointed, the  
 22           commissioner of insurance shall appoint his first assistant to one of the offices of  
 23           deputy commissioner.

24           D. The Department of Insurance shall be composed of the executive office  
 25           of the commissioner; the office of management and finance; the office of policy,  
 26           innovation, and research; the office of property and casualty; the office of insurance  
 27           fraud; the office licensing; the office of financial solvency; the office of health, life,  
 28           and annuity; the division of public affairs; the office of consumer services; the office

1 of consumer advocacy and diversity; the division of diversity and opportunity; and  
2 the office of legal services.

3 \* \* \*

4 §683. Chief deputy commissioner

5 There ~~shall~~ may be a chief deputy commissioner of the department, who shall  
6 be appointed by the commissioner of insurance with consent of the Senate and who  
7 shall serve at the pleasure of the commissioner of insurance in the office of the  
8 commissioner, at a salary fixed by the commissioner of insurance which salary shall  
9 not exceed the amount approved for such position by the legislature while in session.  
10 The chief deputy shall be the first assistant of the commissioner of insurance  
11 appointed pursuant to Article IV, Section 13 of the Constitution of Louisiana. The  
12 duties and functions of the chief deputy commissioner shall be determined and  
13 assigned by the commissioner of insurance. He shall serve as acting commissioner  
14 of insurance in the absence of the commissioner as provided by law.

15 \* \* \*

16 §686. Transfer of agencies to the Department of Insurance

17 \* \* \*

18 C. The following agencies are transferred to the Department of Insurance  
19 and shall exercise their powers, duties, functions, and responsibilities in the manner  
20 provided in R.S. 36:802:

21 \* \* \*

22 (3) The Louisiana Health Care Commission (R.S. 22:2161).

23 (4) The Board of Directors of the Louisiana Automobile Theft and Insurance  
24 Fraud Prevention Authority (R.S. 22:2131 et seq.).

25 \* \* \*

26 §687. Deputy commissioner for consumer services; functions; ~~division~~ office of  
27 consumer services

28 There is hereby created a ~~division~~ an office of consumer services under the  
29 direction of the deputy commissioner for consumer services. The duties and  
30 functions of the ~~division~~ office and the deputy commissioner shall be the receipt and

1 processing of consumer complaints, market conduct analysis and examination, and  
2 such additional duties and functions as are assigned by the commissioner of  
3 insurance.

4 \* \* \*

5 §689. ~~Division~~ Office of legal services; functions

6 There is hereby created a ~~division~~ an office of legal services in the  
7 ~~department of insurance~~. Such ~~division shall be~~ Department of Insurance under the  
8 direction of the executive counsel. The duties and functions of the ~~division~~ office  
9 of legal services and the executive counsel ~~for the division of legal services~~ shall be  
10 as provided in this Title and as assigned by the commissioner of insurance.

11 \* \* \*

12 §691.1. ~~Division~~ Office of insurance fraud

13 There is hereby created a ~~division~~ an office of insurance fraud in the  
14 Department of Insurance ~~that shall be~~ under the direction of the deputy commissioner  
15 for insurance fraud. The duties and functions of the ~~division~~ office of insurance  
16 fraud and the deputy commissioner for insurance fraud shall be the investigation of  
17 alleged administrative or civil fraudulent insurance acts, other administrative or civil  
18 violations of the insurance laws of this state, executive security, and such additional  
19 duties and functions as assigned by the commissioner of insurance.

20 \* \* \*

21 §694.1. Office of policy, innovation, and research; functions

22 A. There is hereby created an office of policy, innovation, and research in  
23 the Department of Insurance under the direction of the deputy commissioner for  
24 policy, innovation, and research.

25 B. The duties and functions of the office of policy, innovation, and research  
26 and the deputy commissioner for policy, innovation, and research shall be the  
27 following:

28 (1) Research and development of policy proposals relative to the following:

29 (a) Regulation of insurance.

30 (b) Prevention and detection of insurance fraud.



- 1                    (c) Innovation in insurance products and technology.
- 2                    (d) Availability and affordability of insurance.
- 3                    (e) Healthcare and health insurance, including long-term care.
- 4                    (f) Property and casualty insurance, including issues related to disasters,
- 5                    building codes, highway safety, and the adjustment and payment of claims.
- 6                    (g) Life insurance and annuities.
- 7                    (h) Development and promotion of the insurance industry in this state.
- 8                    (2) Development and preparation of proposals for legislation, rules and
- 9                    regulations, and other administrative actions.
- 10                   (3) Participation in and liaison with the following organizations of which the
- 11                   commissioner of insurance is the representative of this state:
- 12                   (a) The National Association of Insurance Commissioners (NAIC).
- 13                   (b) The Interstate Insurance Product Regulation Commission (IIPRC).
- 14                   (c) The International Association of Insurance Supervisors (IAIS).
- 15                   (4) Monitoring the activities of the following, relative to insurance
- 16                   regulation:
- 17                   (a) Congress and federal agencies.
- 18                   (b) The National Council of Insurance Legislators (NCOIL).
- 19                   (c) The National Conference of State Legislatures (NCSL).
- 20                   (d) Other organizations that affect the regulation of insurance.
- 21                   (5) Other duties and functions assigned by the commissioner of insurance.
- 22                   C. In addition to the deputy commissioner of policy, innovation, and
- 23                   research, the commissioner of insurance may also employ such persons, including
- 24                   four unclassified employees, as necessary to carry out the provisions of this Section
- 25                   and to provide necessary staff support for the following entities:
- 26                   (1) The Louisiana Health Care Commission.
- 27                   (2) The Louisiana Automobile Theft and Insurance Fraud Prevention
- 28                   Authority.
- 29                   (3) The Louisiana Property and Casualty Insurance Commission.
- 30                   Section 3. R.S. 36:686(D) and (E) are hereby repealed in their entirety.

1           Section 4. This Act shall become effective upon signature by the governor or, if not  
2 signed by the governor, upon expiration of the time for bills to become law without signature  
3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
4 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
5 effective on the day following such approval.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_