

2024 Regular Session

HOUSE BILL NO. 651

BY REPRESENTATIVE BRAUD

INSURANCE: Provides relative to insurance fraud

1 AN ACT

2 To amend and reenact R.S. 22:1923(introductory paragraph) and (2)(introductory  
3 paragraph), 1964(13), and 2198(A) and to enact R.S. 22:1923(2)(p) through (r),  
4 relative to insurance fraud and unfair trade practices; to modify definitions; to  
5 provide relative to subpoena powers of the commissioner of insurance; and to  
6 provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:1923(introductory paragraph) and (2)(introductory paragraph),  
9 1964(13), and 2198(A) are hereby amended and reenacted and R.S. 22:1923(2)(p) through  
10 (r) are hereby enacted to read as follows:

11 §1923. Definitions

12 As used in this Part, the following terms ~~shall~~ have the meanings indicated  
13 in this Section:

14 \* \* \*

15 (2) "Fraudulent insurance act" ~~shall include but not be~~ includes but is not  
16 limited to acts or omissions committed by any person who, knowingly and with  
17 intent to defraud, does any of the following:

18 \* \* \*

19 (p) Files a lawsuit containing false information relative to an insurance  
20 claim.

1           (q) Makes repairs to the interior of a structure with insurance proceeds  
2 claimed for the purpose of making repairs to the roof of the structure.

3           (r) Inflates contractor or public adjuster estimates created for the purpose of  
4 an insurance claim.

5                                   \*           \*           \*

6 §1964. Methods, acts, and practices which are defined as unfair or deceptive

7           The following are declared to be unfair methods of competition and unfair  
8 or deceptive acts or practices in the business of insurance:

9                                   \*           \*           \*

10           ~~(13) Fraudulent insurance act. A fraudulent insurance act is one committed~~  
11 ~~by a person who knowingly and with intent to defraud presents, causes to be~~  
12 ~~presented, or prepares with knowledge or belief that it will be presented to or by an~~  
13 ~~insurer, purported insurer, producer, or any agent thereof, any written statement as~~  
14 ~~part of, or in support of, or in opposition to an application for the issuance of, or the~~  
15 ~~rating of an insurance policy for commercial insurance, or a claim for payment or~~  
16 ~~other benefit pursuant to an insurance policy for commercial or personal insurance~~  
17 ~~which he knows to contain materially false information concerning any fact material~~  
18 ~~thereto, or conceal for the purpose of misleading information concerning any fact~~  
19 ~~material thereto.~~ Committing a fraudulent insurance act as defined in R.S. 22:1923.

20                                   \*           \*           \*

21 §2198. Procedure and subpoena power of commissioner

22           A.(1) Upon receipt of information, evidence, or other reason to believe that  
23 any person or entity may be in possession, custody, or control of any documentary  
24 or non-documentary information relevant to an investigation for a possible violation  
25 of any provision of Chapter 7 of this Title, or violation of any prohibitory insurance  
26 law in this state, ~~The~~ the commissioner of insurance or other employee designated  
27 by him for that purpose, ~~shall have power to compel~~ may issue and serve a subpoena  
28 compelling the attendance of any person by subpoena at a hearing or investigation  
29 proceeding, ~~proceeding.~~

1                   (2) The commissioner may subpoena, ~~to~~ administer oaths, ~~and to~~ examine  
 2                   any person under oath concerning the business, conduct, or affairs of any company,  
 3                   entity, or persons subject to the provisions of this Code, and in connection therewith  
 4                   to require the production of any books, records, or papers relative to a hearing,  
 5                   inquiry, or investigation.

6                   (3) The commissioner shall serve subpoenas provided for in this Section in  
 7                   the same manner as if issued by a district court.

8   \*           \*           \*

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 651 Original

2024 Regular Session

Braud

**Abstract:** Modifies relative to fraudulent insurance acts and provides for the commissioner of insurance's subpoena powers.

Present law defines "fraudulent insurance act". Proposed law adds that persons' actions of filing lawsuits containing false information, using claim proceeds for roof repairs for other purposes, and inflating contractor or public adjuster estimates created for purposes of insurance claims, are fraudulent insurance acts.

Present law outlines additional fraudulent insurance acts. Proposed law deletes present law.

Present law authorizes the commissioner of insurance (commissioner) to subpoena persons for attendance at hearings or investigation proceedings. Proposed law retains present law.

Proposed law further authorizes the commissioner to issue subpoenas to compel persons or entities to appear when he receives information that gives reason to believe that such person or entity possesses or controls documentary or non-documentary information relevant to an investigation for a possible violation of fraud pursuant to present law.

Proposed law requires the commissioner to serve subpoenas in the same manner as if issued by a district court.

(Amends R.S. 22:1923(intro. para.) and (2)(intro. para.), 1964(13), and 2198(A); Adds R.S. 22:1923(2)(p)-(r))