

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 257** HLS 24RS 587

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 10, 2024 4:29 PM	Author: LANDRY, MANDIE
Dept./Agy.: Insurance	Analyst: Patrice Thomas
Subject: Penalties for Failure of Insurer to Comply with Directives	

INSURANCE COMMISSIONER OR INCREASE SG RV See Note Page 1 of 1
Provides penalties for failure to comply with certain directives issued by the commissioner of insurance

Under present law, the Commissioner of Insurance may levy a fine, up to \$250, against any person subject to the commissioner's regulatory authority that fails to comply with a commissioner-issued consumer complaint directive. Proposed law adds fines according to timeframes if a person fails to comply with a directive as follows: (1) within 30 days, a fine up to \$250; (2) within 60 days, a fine up to \$500; and (3) within 75 days, a fine up to \$1,000.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0
REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

Proposed law may increase SGR in the LA Department of Insurance (LDI) as a result of increased fines authorized by this measure. The proposed law provides for civil fines of up to \$250 (30 days), \$500 (60 days), and \$1,000 (75 days) per occurrence to any person subject to the regulatory authority of LDI that fails to comply with any directives issued by the Commissioner of Insurance in connection with consumer complaints. The LFO presumes the potential revenue may accrue to LDI due to the required levy by the Commissioner. The number of individuals that may violate the proposed law and be assessed civil fines by the Commissioner of Insurance is speculative and indeterminable.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger

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Legislative Fiscal Officer