

RÉSUMÉ DIGEST

ACT 340 (SB 369)

2024 Regular Session

Bass

Existing law (R.S. 22:1924 and 1925) provides for prohibited practices and sanctions for a person that commits insurance fraud.

New law retains existing law and adds the 19th Judicial District Court, parish of East Baton Rouge, as an appropriate venue for a matter arising out of a violation of existing law.

Existing law authorizes the commissioner of insurance (commissioner) to assess an insurer a fraud assessment fee to support the costs of an investigation, enforcement, public education, public awareness, and prosecution of insurance fraud in this state.

Existing law requires the fraud assessment fee to be reduced by the amount of the excess proportion if an insurer is assessed a fraud assessment fee that exceeds 5% of the cumulative cost for the previous year.

New law makes technical changes including removing the effective date that has passed.

Existing law authorizes the commissioner to withhold up to \$30,000 per year from the fees collected to defray the costs of collecting the fee, enforcement, and operation of the Dept. of Insurance. Existing law requires the commissioner to withhold \$187,000 of the fraud assessment fee to fund the La. Automobile Theft and Insurance Fraud Prevention Authority (LATIFPA).

New law retains existing law but removes funding for LATIFPA and provides that the funds are to be used to fund insurance fraud detection, investigation, and public awareness.

Existing law requires the fraud assessment fee to be used to support the costs of an investigation, enforcement, public education, public awareness, and prosecution of insurance fraud in this state, and requires the fraud assessment fee to be allocated as follows:

- (1) 75% to the insurance fraud investigation unit within the office of state police.
- (2) 15% to the Dept. of Justice for the insurance fraud support unit.
- (3) 10% to the Dept. of Insurance for the insurance fraud section.

New law retains existing law but adds that the purpose of the assessment fee is to support the costs of an investigation, enforcement, public education, public awareness, and prosecution of insurance fraud in this state. New law requires the funds to be allocated to the insurance fraud investigation unit within the state police, the insurance fraud support unit within the Dept. of Justice, the section of insurance fraud within the Dept. of Insurance, and other state agencies that enter into a written agreement with the superintendent of state police, the attorney general, and the commissioner on or before Sept. 30, 2024.

Existing law provides for the Insurance Fraud Investigation Dedicated Fund Account (account), and requires the account to be appropriated, administered, and used solely and exclusively for purposes of the fraud unit, fraud support unit, insurance fraud section, and LATIFPA.

New law retains existing law but removes LATIFPA.

New law relative to venue became effective on May 28, 2024.

New law relative to insurance fraud becomes effective on September 1, 2024.

(Amends R.S. 40:1428(A)(3) and (4) and (C); adds R.S. 22:1924(C) and 1925(D); repeals R.S. 40:1429)