

2025 Regular Session

SENATE BILL NO. 199

BY SENATOR MYERS

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

INSURANCE DEPARTMENT. Provides for the authority of the Department of Insurance in instances of fraud. (gov sig)

AN ACT

To amend and reenact R.S. 22:1961, 1963, and 1968 and to enact R.S. 22:1962(G), relative to insurance fraud; to provide for definitions; to provide for actions against unlicensed persons engaged in the business of insurance; to provide for action by the commissioner; to provide for technical changes; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1961, 1963, and 1968 are hereby amended and reenacted and R.S. 22:1962(G) is hereby enacted to read as follows:

§1961. Purpose

The purpose of this Part is to regulate the trade practices ~~in~~ **and affairs of every person engaged in** the business of insurance, in accordance with the intent of congress as expressed in Public Law 15-79th Congress, by defining or providing for the determination of all acts, methods, and practices which constitute unfair methods of competition and unfair or deceptive acts and practices in this state, and to prohibit the same.

§1962. Definitions

When used in this Part:

* * *

G.(1) "Business of insurance" means any of the following:

(a) Any action concerning the sale, advertisement, or solicitation of a contract or policy of insurance.

(b) Aiding in the resolution of a claim or benefit under an insurance policy involving an insurer or a person who acts on behalf of an insurer, directly or indirectly, and an insured, claimant, or any person who acts on behalf of an insured or claimant, directly or indirectly.

(2) "Business of insurance" does not include a person lawfully engaged in the practice of law or lawfully assisting a patient with a prior authorization or appeal concerning the denial of healthcare services provided by a duly licensed healthcare provider.

§1963. Unfair methods and unfair or deceptive acts and practices prohibited

No person shall engage in this state in any trade practice **or act affecting the business of insurance** which is defined in this Part to be an unfair method of competition or an unfair or deceptive act or practice in the conduct of the business of insurance, including unauthorized insurance as provided in R.S. 22:1902 et seq. or the failure to maintain professional liability insurance, if such coverage is required pursuant to R.S. 22:1570.1.

* * *

§1968. Notice of hearing

A. If the commissioner has reason to believe that any person **licensed by the department** has been engaged or is engaging in this state in any unfair trade practice as defined in this Code, whether or not defined in this Part, the commissioner shall issue a notice of wrongful conduct to that person in accordance and compliance with R.S. 49:977.3 describing the unfair trade practice and citing the law which is deemed by the commissioner to be violated.

B. If the commissioner has received information or has reason to believe

1 that any person not licensed by the department has engaged or is engaging in
2 the business of insurance in this state and committed or is committing any
3 unfair trade practice as defined in this Code, the commissioner may issue a
4 cease and desist order, issue a fine, issue an order, or take any other action
5 against the person pursuant to R.S. 22:1961 et seq.

6 C. Any person not licensed by the commissioner who has been aggrieved
7 by any act, cease or desist order, fine, or order or any other action of the
8 commissioner pursuant to R.S. 22:1961 et seq. may appeal to any district court
9 for which venue is proper. The court shall conduct its review without a jury and
10 by trial de novo, except that if all parties, including the commissioner, so
11 stipulate, the review shall be confined to the record. Portions of the record may
12 be introduced by stipulation into evidence in a trial de novo as to those parties
13 so stipulating.

14 D. The filing of an appeal pursuant to this Section shall stay the
15 application of any cease and desist order, fine, order, or other action of the
16 commissioner to the appealing party unless the court, after giving the party
17 notice and an opportunity to be heard, determines that a stay would be
18 detrimental to the interest of the public.

19 E. The commissioner may promulgate and adopt rules in accordance with the
20 Administrative Procedure Act to provide means of electronic delivery of the notice
21 required in this Section.

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

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, 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)]

DIGEST

SB 199 Engrossed 2025 Regular Session Myers

Present law provides for regulation of unfair trade practices in the business of insurance by the commissioner of insurance.

Proposed law retains present law.

Proposed law defines "business of insurance".

Proposed law prohibits any act affecting the business of insurance that is an unfair method of competition or an unfair or deceptive act in the conduct of the business of insurance.

Proposed law authorizes the commissioner to take action against any person not licensed by the Department of Insurance who the commissioner has reason to believe is engaged or has been engaged in the business of insurance and committed any unfair trade practice.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 22:1961, 1963, and 1968; adds R.S. 22:1962(G))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original bill

1. Removes persons lawfully engaged in the practice of law or lawfully assisting a patient with a prior authorization or appeal from the denial of healthcare services from the definition of "business of insurance" in proposed law.
2. Deletes provision in proposed law that waives hearing requirements for a person not licensed to engage in the business of insurance who the commissioner had reason to believe is engaged or has been engaged in the business of insurance and committed an unfair trade practice.
3. Authorizes the commissioner to take certain actions when a person not licensed by the department has engaged or is engaging in the business of insurance and commits or is committing any unfair trade practice.
4. Allows an appeal to the district court of proper venue by a person not licensed to engage in the business of insurance who has been aggrieved by an action taken by the commissioner and provides the process for the review by the district court.
5. Provides that the filing of an appeal stays the action taken by the commissioner unless the district court determines after notice and a hearing that a stay would be detrimental to the interest of the public.
6. Makes technical changes.