
The original instrument was prepared by Cheryl Horne. The following digest, which does not constitute a part of the legislative instrument, was prepared by Michelle Broussard Johnson.

DIGEST

Erdey (SB 180)

Present law provides for a section of insurance fraud within the Dept. of Insurance with the responsibility to conduct investigations and criminal background checks on all applicants for licenses or certificates of authority to transact a business of insurance.

Proposed law creates a division of insurance fraud and a deputy commissioner of insurance fraud within the Dept. of Insurance with the responsibilities provided in present law for the insurance fraud section and adds certain powers and duties as they relate to the investigation and prevention of administrative or civil violations of La. insurance laws.

Present law provides that if, during the course of investigation, the Dept. of Insurance determines that there may be a violation of any criminal law, the investigation shall be turned over to the Dept. of Justice; the Dept. of Public Safety and Corrections, public safety services, office of state police; and any other appropriate law enforcement or prosecutorial agency for further investigation, enforcement, or prosecution.

Proposed law provides that if the division of insurance fraud determines that there may be a violation of any criminal law, the division shall then coordinate further actions with the agencies in present law.

Proposed law authorizes the division of insurance fraud to have access to computer systems, information maintained for the use of law enforcement personnel, any information contained in the criminal history record and identification file of the La. Bureau of Criminal Identification and Information as well as direct access to information compiled by the Federal Bureau of Investigation for the purposes of carrying out the division's responsibilities.

Proposed law permits the commissioner of insurance to issue a commission authorizing the deputy commissioner of insurance fraud or any compliance investigator who is P.O.S.T.-certified to carry and use firearms. Further provides that the powers and privileges shall not include arrest powers.

Proposed law eliminates the office of receivership within the Dept. of Insurance.

Effective August 1, 2013.

(Amends R.S. 22:3, 1921, 1922, 1926, 1927, 1928(A)(intro para), 1929(A), and R.S. 36:681(C)(1); adds R.S. 36:691.1; repeals R.S. 36:691)

Summary of Amendments Adopted by Senate

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

1. Delete the office of receivership from the composition of the Dept. of Insurance.
2. Delete the designation of the fraud division as a law enforcement agency.
3. Delete the designation of the deputy commissioner and compliance investigators of the fraud division as peace officers.
4. Delete the authority of the commissioner to authorize the deputy commissioner and compliance investigators of the fraud division to arrest persons suspected of insurance fraud.

Senate Floor Amendments to engrossed bill

1. Makes technical changes.
2. Provides that powers will not include arrest powers.
3. Removes prosecution of violations from the power and duties.
4. Provides that the powers and duties relate to the investigation and prevention of administrative or civil violations.