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## DIGEST

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HB 692 Original

2022 Regular Session

Larvadain

**Abstract:** Provides for the La. Named Storm Insurance Fraud Prevention Authority.

Proposed law defines "authority", "board", and "fund" for the purposes of proposed law.

Proposed law creates the La. Named Storm Insurance Fraud Prevention Authority within the La. Department of Insurance.

Proposed law provides that the powers and duties of the authority shall be vested in its board of directors.

Proposed law provides that the authority's board of directors shall consist of the following members:

- (1) The commissioner of insurance or his designee.
- (2) The state treasurer or his designee.
- (3) A representative of the La. State Police Insurance Fraud and Auto Theft Unit.
- (4) A representative of the Insurance Fraud Unit in the office of the attorney general.
- (5) The chairman of the Senate Committee on Insurance or his designee.
- (6) The chairman of the House Committee on Insurance or his designee.
- (7) One member representing a victim of a named storm who has filed a homeowners' insurance claim valued between \$100,000 and \$1,000,000, appointed by the chairman of the House Committee on Insurance.
- (8) One member representing a victim of a named storm who has filed a homeowners' insurance claim valued between \$100,000 and \$1,000,000, appointed by the vice chairman of the House Committee on Insurance.
- (9) One member representing a victim of a named storm who has filed a homeowners' insurance claim valued between \$100,000 and \$1,000,000, appointed by the chairman of the Senate Committee on Insurance.

- (10) One member representing a victim of a named storm who has filed a homeowners' insurance claim valued between \$100,000 and \$1,000,000, appointed by the vice chairman of Senate Insurance Committee.
- (11) One member representing a business owner who has filed an insurance claim in excess of \$150,000 as a result of a named storm, appointed by the chairman of the House Committee on Insurance.
- (12) One member representing a business owner who has filed an insurance claim in excess of \$150,000 as a result of a named storm, appointed by the chairman of the Senate Committee on Insurance.
- (13) One member appointed by the La. State Licensing Board for Contractors.
- (14) One member appointed by the American Policyholders Association.
- (15) One member appointed by the La. Professional Engineering and Land Surveying Board.
- (16) One member appointed by the National Association of Mutual Insurance Companies.
- (17) One member appointed by the La. Association for Justice.
- (18) One member appointed by the La. Claims Association.
- (19) One member appointed by United Policyholders.

Proposed law provides that the commissioner shall serve as the chairman of the board until its first meeting, at which time the board shall elect one of its members as chairman.

Proposed law provides that the members of the board shall serve without compensation, except reasonable reimbursement for necessary travel and expenses.

Proposed law provides that the authority shall meet at the call of the chairman or as provided in the authority's bylaws. Meetings may be held anywhere within the state and shall be open public meetings.

Proposed law provides that a director and assistant director shall be selected by the board and serve at the pleasure of the board and shall operate the daily affairs of the authority.

Proposed law provides that the authority shall have the powers necessary and convenient to implement and effectuate the purposes and provisions of proposed law and the powers delegated to the authority by other laws.

Proposed law creates the Named Storm Insurance Fraud Prevention Authority Fund within the state treasury.

Proposed law provides that the state treasurer shall pay into the fund certain revenues generated from collection from sources in proposed law and other sources as provided for by law.

Proposed law provides that no expenditures shall be made from the fund unless appropriated by the legislature. The monies in the fund shall be invested by the state treasurer in the same manner as monies in the state general fund, and all interest earned on money from the fund shall be credited to the fund.

Proposed law provides the order of priority that monies in the fund shall be spent.

Proposed law provides that the authority shall develop and implement a plan of operations that shall include an assessment of certain enumerated issues related to named storm insurance fraud and prevention.

Proposed law provides that the authority shall make a report regarding its activities for the past year to the House Committee on Insurance and the Senate Committee on Insurance by March first of each year.

(Adds R.S. 22:2188.1-2188.5)