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## DIGEST

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HB 692 Re-Reengrossed

2022 Regular Session

Larvadain

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

Proposed law creates the La. Named Storm Insurance Fraud Prevention Authority within the La. Dept. 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) A representative of the Independent Insurance Agents and Brokers of La.
- (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) A representative of the National Assoc. of Independent Insurance Adjusters.
- (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 Assoc.
- (15) One member appointed by the La. Professional Engineering and Land Surveying Board.
- (16) One member appointed by the National Assoc. of Mutual Insurance Companies.
- (17) One member appointed by the La. Assoc. for Justice.
- (18) One member appointed by the La. Claims Assoc.
- (19) One member appointed by United Policyholders.
- (20) A representative of the American Property Casualty Insurance Assoc.
- (21) A representative of the Consumer Federation of America.

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. Provides that meetings may be held anywhere within the state and shall be open public meetings.

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; however, proposed law does not grant the authority the power to contract for personnel.

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

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.

The provisions of proposed law terminate on Aug. 1, 2025.

(Adds R.S. 22:2188.1-2188.6 and R.S. 36:686(G))

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Add a representative of the American Property Casualty Insurance Assoc. and a representative of the Consumer Federation of America to the authority's board of directors.
2. Make technical changes.

The Committee Amendments Proposed by House Committee on Appropriations to the engrossed bill:

1. Remove provisions authorizing employment of personnel of the authority.
2. Remove provisions authorizing the authority to contract for personnel.
3. Make technical changes.
4. Add termination of Aug. 1, 2025, for proposed law.

The House Floor Amendments to the reengrossed bill:

1. Remove one member representing a victim of a named storm who has filed a homeowners' insurance claim in excess of \$100,000 but less than \$1,000,000, appointed by the vice chairman of the House Committee on Insurance from the authority.
2. Remove one member representing a victim of a named storm who has filed a homeowners' insurance claim in excess of \$100,000 but less than \$1,000,000, appointed by the vice chairman of the Senate Committee on Insurance from the authority.
3. Add a representative of the Independent Insurance Agents and Brokers of La. and a representative of the National Assoc. of Independent Insurance Adjusters to the authority.

4. Provide that monies in the fund shall be administered by the board of directors of the authority.
5. Provide that the authority shall develop and implement a plan of operation.
6. Codify that proposed law shall terminate and no longer be effective on and after Aug. 1, 2025.
7. Transfer the authority to the Dept. of Insurance.
8. Delete certain definitions.
9. Make technical changes.