

2024 Regular Session

SENATE BILL NO. 367

BY SENATORS BASS AND MILLER

INSURANCE DEPARTMENT. Provides for the boards and commissions within the Department of Insurance. (8/1/24)

1 AN ACT

2 To amend and reenact R.S. 14:98(F)(4)(c), the heading of Part IV of Chapter 11 of Title 22

3 of the Louisiana Revised Statutes of 1950, and R.S. 22:2161 and 2242(A) and (B),

4 R.S. 36:694.1(C), and R.S. 40:1428(A)(4)(a) and (C) and to repeal Part II of Chapter

5 11 of Title 22 of the Louisiana Revised Statutes of 1950 comprised of R.S. 22:2131

6 through 2135, and Part V of Chapter 11 of Title 22 of the Louisiana Revised Statutes

7 of 1950, comprised of R.S. 22:2171, and R.S. 36:686(C)(1), (3), and (4), and R.S.

8 40:1421(12), relative to the boards and commissions; to authorize the commissioner

9 to create boards and commissions; to provide for duties; to provide for membership;

10 to provide for reporting; to repeal certain boards and commissions; and to provide

11 for related matters.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 14:98(F)(4)(c) is hereby amended and reenacted to read as follows:

14 §98. Operating a vehicle while intoxicated

15 * * *

16 F.(1) * * *

17 (4) The proceeds of the sale shall first be used to pay court costs and towing

1 and storage costs, and the remainder shall be allocated as follows:

2 * * *

3 (c) Twenty percent of the funds shall go to the ~~Louisiana Property and~~
4 ~~Casualty Insurance Commission~~ **the Department of Insurance** for its use in
5 studying ways to reduce drunk driving and insurance rates.

6 * * *

7 Section 2. The heading of Part IV of Chapter 11 of Title 22 of the Louisiana Revised
8 Statutes of 1950, and R.S. 22:2161 and 2242(A) and (B) are hereby amended and reenacted
9 to read as follows:

10 PART IV. ~~LOUISIANA HEALTH CARE COMMISSION~~

11 **DEPARTMENT ADVISORY BOARDS**

12 §2161. ~~Louisiana Health Care Commission; creation~~ **Powers of the commissioner;**
13 **creation to advisory boards**

14 A. ~~There is hereby created the Louisiana Health Care Commission within the~~
15 ~~Department of Insurance. The commission shall be domiciled in Baton Rouge, and~~
16 ~~its members shall serve for terms of two years. The functions, duties, and~~
17 ~~responsibilities of the commission shall be to review and study the availability,~~
18 ~~affordability, and delivery of quality health care in the state. The commission shall~~
19 ~~specifically examine the rising costs of health care in the state, including but not~~
20 ~~limited to the cost of administrative duplication, the costs associated with excess~~
21 ~~capacity and duplication of medical services, and the costs of medical malpractice~~
22 ~~and liability and shall examine the adequacy of consumer protections, as well as the~~
23 ~~formation and implementation of insurance pools that better assure citizens the~~
24 ~~ability to obtain health insurance at affordable costs and encourage employers to~~
25 ~~obtain health care benefits for their employees by increased bargaining power and~~
26 ~~economies of scale for better coverage and benefit options at reduced costs. Further,~~
27 ~~the commission shall examine the implementation issues related to national health~~
28 ~~care reform initiatives. Of the members of the commission, three members shall be~~
29 ~~appointed from a list of nominees submitted by the governing boards of state~~

1 colleges and universities and by a dean from the business schools represented by the
2 Louisiana Association of Independent Colleges and Universities. One member of the
3 Senate Committee on Insurance shall be appointed by the president of the Senate and
4 one member of the House Committee on Insurance shall be appointed by the speaker
5 of the House of Representatives to the commission to act as ex officio, nonvoting
6 members. One member of the commission shall be appointed by the secretary of the
7 Louisiana Department of Health. The commissioner of insurance shall appoint five
8 at-large members to the commission. The remainder of the members shall be
9 appointed by the commissioner of insurance from a list of nominees, one nominee
10 to be submitted by each of the following:

11 (1) ~~The Louisiana Insurers' Conference.~~

12 (2) ~~Louisiana Association of Health Plans.~~

13 (3) ~~America's Health Insurance Plans.~~

14 (4) ~~A domestic mutual, nonprofit health service and indemnity company.~~

15 (5) ~~Louisiana State Medical Society.~~

16 (6) ~~Louisiana Association for Justice.~~

17 (7) ~~Health Agents for America.~~

18 (8) ~~Agenda for Children.~~

19 (9) ~~Independent Insurance Agents & Brokers of Louisiana.~~

20 (10) ~~AARP Louisiana.~~

21 (11) ~~The National Federation of Independent Businesses.~~

22 (12) ~~Repealed by Acts 2012, No. 271, §2, eff. August 1, 2012.~~

23 (13) ~~Louisiana Independent Pharmacies Association.~~

24 (14) ~~AARP, the nominee of which shall be a volunteer representative.~~

25 (15) ~~Louisiana Association of Business and Industry.~~

26 (17) ~~NAIFA Louisiana.~~

27 (18) ~~League of Women Voters.~~

28 (19) ~~Louisiana Hospital Association.~~

29 (20) ~~Louisiana Primary Care Association.~~

1 ~~(21) Repealed by Acts 2014, No. 90, §2, eff. August 1, 2014.~~

2 ~~(22) A domestic commercial health insurance issuer.~~

3 ~~(23) Chiropractic Association of Louisiana.~~

4 ~~(24) Louisiana AFL-CIO.~~

5 ~~(25) Louisiana Physical Therapy Association.~~

6 ~~(26) Louisiana State Nurses Association.~~

7 ~~(27) Louisiana Dental Association.~~

8 ~~(28) Louisiana Nursing Home Association.~~

9 ~~(29) Louisiana's Medicare Peer Review Organization as designated by the~~
 10 ~~Health Care Financing Administration.~~

11 ~~(30) Louisiana Business Group on Health.~~

12 ~~(31) Louisiana Association of Health Underwriters.~~

13 ~~(32) Louisiana Psychological Association.~~

14 ~~(33) Optometry Association of Louisiana.~~

15 ~~(34) Repealed by Acts 2012, No. 271, §2, eff. August 1, 2012.~~

16 ~~(35) National Medical Association.~~

17 ~~(36) National Association for the Advancement of Colored People.~~

18 ~~(37) Repealed by Acts 2012, No. 271, §2, eff. August 1, 2012.~~

19 ~~(38) Louisiana Council on Human Relations.~~

20 ~~(39) National Dental Association.~~ **The commissioner may create one or**
 21 **more advisory boards consisting of representatives of insurers, insurance**
 22 **producers, consumers of insurance products not otherwise connected with the**
 23 **insurance industry, and other appropriate persons.**

24 B. The commissioner of insurance, or his designee, shall serve ex officio on
 25 the commission and the commissioner shall appoint a chairman and vice chairman
 26 to serve terms of two years. **The commissioner shall appoint the members of any**
 27 **advisory board created pursuant to this Section. The commissioner shall**
 28 **promulgate rules and regulations providing for the creation, governance, duties,**
 29 **and termination of any advisory board created pursuant to this Section.**

1 C. Each appointment by the commissioner shall be confirmed by the Senate.

2 Advisory boards created pursuant to this Section shall advise the commissioner
3 with respect to the availability and affordability of insurance and other matters
4 as the commissioner may submit to the advisory board or commission.

5 D. ~~The members of the commission shall serve without compensation.~~ The
6 commissioner shall report on the activities of advisory boards created pursuant
7 to this Section as part of the annual report of the department. The
8 commissioner may submit special reports and recommendations to the
9 legislature on behalf of an advisory board created pursuant to this Section.

10 E. ~~Vacancies in the offices of the members shall be filled in the same manner~~
11 ~~as the original appointments for the unexpired portion of the term of the office~~
12 ~~vacated.~~

13 F. ~~A quorum for the transaction of business by the commission shall be forty~~
14 ~~percent of the membership of the commission. All official actions of the commission~~
15 ~~shall require the affirmative vote of a majority of a quorum of the commission~~
16 ~~present and voting during meetings of the commission.~~

17 G. ~~The commission shall meet twice in any one calendar year and may meet~~
18 ~~on the call of the chairman or upon the request of any three members.~~

19 H. ~~The commission shall serve as an advisory body to the commissioner and~~
20 ~~shall submit to the commissioner its recommendations on all matters which it is~~
21 ~~charged to examine pursuant to Subsection A of this Section. The commission may~~
22 ~~conduct public hearings to receive testimony about the availability and affordability~~
23 ~~of health care in the state. The commission shall also be permitted to receive further~~
24 ~~information and testimony from regional and national experts on health care access~~
25 ~~issues.~~

26 I. ~~The commissioner shall submit a yearly report on health care and health~~
27 ~~insurance, which takes into consideration the recommendations, actions, and studies~~
28 ~~of the commission, to the legislature prior to each annual regular session.~~

29 J. ~~The commissioner shall conduct the daily affairs of the commission as~~

1 ~~specified in this Section.~~

2 * * *

3 §2242. Authorization to develop pilot programs

4 A. The ~~Department of Insurance~~ **department** is authorized to establish pilot
5 health insurance programs to increase access to affordable health insurance for small
6 employers and for individuals. In conjunction with the Louisiana Department of
7 Health ~~and after consultation with the Louisiana Health Care Commission~~, the
8 department is authorized to develop private health insurance coverage for small
9 employers and individuals, as further provided in R.S. 22:2243 and 2244.

10 B. In conjunction with the Louisiana Business Group on Health ~~and the~~
11 ~~Louisiana Health Care Commission~~, the department is hereby authorized to establish
12 employer purchasing cooperatives and other pilot programs that increase access to
13 affordable group and individual health insurance coverage that meets the minimum
14 requirements of R.S. 22:984 and 1061 through ~~1079~~ **1080**, as further provided in R.S.
15 22:2245.

16 * * *

17 Section 3. R.S. 36:694.1(C) is hereby amended and reenacted to read as follows:

18 §694.1. Office of policy, innovation, and research; functions

19 * * *

20 C. In addition to the deputy commissioner of policy, innovation, and
21 research, the commissioner of insurance may also employ such persons, including
22 four unclassified employees, as necessary to carry out the provisions of this Section,
23 ~~and to provide necessary staff support for the following entities:~~

- 24 ~~(1) The Louisiana Health Care Commission.~~
- 25 ~~(2) The Louisiana Automobile Theft and Insurance Fraud Prevention~~
26 ~~Authority.~~
- 27 ~~(3) The Louisiana Property and Casualty Insurance Commission.~~

28 Section 4. R.S. 40:1428(A)(4)(a) and (C) are hereby amended and reenacted to read
29 as follows:

1 §1428. Special assessment; creation of dedicated fund account

2 A.(1) * * *

3 (4)(a) Prior to making the allocations specified in Subparagraph (b) of this
4 Paragraph, the commissioner of insurance is authorized to withhold the sum of thirty
5 thousand dollars per year from the fees collected pursuant to this Section to defray
6 the expense of collection of the fees, enforcement of this Subpart, and operation of
7 the ~~Department of Insurance~~ **department** and ~~shall withhold one hundred eighty-~~
8 ~~seven thousand dollars to fund the Louisiana Automobile Theft and Insurance Fraud~~
9 ~~Prevention Authority pursuant to R.S. 22:2134.~~

10 * * *

11 C. After compliance with the requirements of Article VII, Section 9(B) of the
12 Constitution of Louisiana relative to the Bond Security and Redemption Fund, an
13 amount equal to that deposited as required by Subsection B of this Section shall be
14 credited to a special statutorily dedicated fund account hereby created in the state
15 treasury to be known as the Insurance Fraud Investigation Dedicated Fund Account,
16 hereafter referred to in this Subsection as the "account". The monies shall be
17 irrevocably dedicated and deposited in the account and shall be used solely as
18 provided in Subsection A of this Section and only in the amounts appropriated by the
19 legislature. Monies in the account shall be appropriated, administered, and used
20 solely and exclusively for purposes of the fraud unit, fraud support unit, insurance
21 fraud section, ~~LATHFA~~, and as further provided in this Section. All unexpended and
22 unencumbered monies in the account at the end of the fiscal year shall be refunded
23 to each insurer licensed by the ~~Department of Insurance~~ **department** to conduct
24 business in this state assessed a fee pursuant to this Section on a pro-rata basis based
25 on each insurer's proportionate share of the total fees collected pursuant to this
26 Section. Monies deposited into the account shall be categorized as fees and
27 self-generated revenue for the sole purpose of reporting related to the executive
28 budget, supporting documents, and general appropriation bills and shall be available
29 for annual appropriation by the legislature.

* * *

Section 5. Part II of Chapter 11 of Title 22 of the Louisiana Revised Statutes of 1950, comprised of R.S. 22:2131 through 2135, and Part V of Chapter 11 of Title 22 of the Louisiana Revised Statutes of 1950, comprised of R.S. 22:2171, R.S. 36:686(C)(1), (3), and (4) and R.S. 40:1421(12) are hereby repealed in their entirety.

Section 6. Upon the effective date of this Act, any remaining funds in the Automobile Theft and Insurance Fraud Prevention Authority Dedicated Fund Account repealed herein shall be transferred to the Department of Insurance for the purpose of fraud prevention, detection, and education.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Beth O'Quin.

DIGEST

SB 367 Engrossed

2024 Regular Session

Bass

Present law provides certain requirements for an individual that operates a vehicle while intoxicated.

Present law provides, on a third or subsequent conviction of an individual operating a vehicle while intoxicated, the district attorney may elect to forfeit his vehicle.

Present law provides the proceeds from the sale of the convicted individual's vehicle be allocated as follows:

- (1) 60% to the arresting agency.
- (2) 20% to the prosecuting district attorney.
- (3) 20% to the La. Property and Casualty Insurance Commission for its use in studying ways to reduce drunk driving and insurance rates.

Proposed law retains present law, but changes from the La. Property and Casualty Insurance Commission receiving the proceeds to the Dept. of Insurance.

Present law creates the La. Health Care Commission and provides its duties and functions with the department.

Proposed law repeals present law and provides the commissioner of insurance (commissioner) has the power to create advisory boards.

Present law provides the commissioner, or his designee, appoint a chairman and vice chairman for the commission.

Proposed law repeals present law and adds the commissioner shall appoint members of any advisory board created by proposed law and shall promulgate rules and regulations that provide for the creation, governance, duties, and termination of an advisory board.

Present law requires the commissioner's appointments must be confirmed by the Senate.

Proposed law repeals present law and adds the commissioner shall report activities of the advisory board as a part of the department's annual review. Proposed law provides the commissioner may submit reports and recommendations made by the advisory boards to the legislature.

Present law provides for La. Automobile Theft and Insurance Fraud Prevention Authority and La. Property and Casualty Insurance Commission and provides for their duties and functions.

Proposed law repeals present law.

Proposed law provides the remaining funds in the Automobile Theft and Insurance Fraud Authority Dedicated Fund be transferred to the department for the purpose of fraud, detection, and education.

Effective on August 1, 2024.

(Amends R.S. 14:98(F)(4)(c), the heading of Part IV of Chapter 11 of Title 22 of the Louisiana Revised Statutes of 1950 and R.S. 22:2161 and 2242(A) and (B), R.S. 36:694.1(C), and R.S. 40:1428(A)(4)(a) and (C); repeals R.S. 22:2131-2135 and 2171, R.S. 36:686(C)(1), (3), and (4), and R.S. 40:1421(12))

Summary of Amendments Adopted by Senate

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

1. Makes technical changes.
2. Provides for funds in the Automobile Theft and Insurance Fraud Authority Dedicated Fund.