

2024 Regular Session

HOUSE BILL NO. 651

BY REPRESENTATIVE BRAUD

1 AN ACT

2 To amend and reenact R.S. 22:1923(introductory paragraph) and (2)(introductory
3 paragraph), 1964(13), and 2198(A) and to enact R.S. 22:1923(2)(p), relative to
4 insurance fraud and unfair trade practices; to modify definitions; to provide relative
5 to subpoena powers of the commissioner of insurance; and to provide for related
6 matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:1923(introductory paragraph) and (2)(introductory paragraph),
9 1964(13), and 2198(A) are hereby amended and reenacted and R.S. 22:1923(2)(p) is hereby
10 enacted to read as follows:

11 §1923. Definitions

12 As used in this Part, the following terms ~~shall~~ have the meanings indicated
13 in this Section:

14 * * *

15 (2) "Fraudulent insurance act" ~~shall include but not be~~ includes but is not
16 limited to acts or omissions committed by any person who, knowingly and with
17 intent to defraud, does any of the following:

18 * * *

19 (p) Presents to an insurer or insured a statement, estimate, invoice, bid,
20 proposal, proof of loss, or any other document that misrepresents the scope of
21 damages or costs of repairs associated with a property insurance claim.

22 * * *

1 §1964. Methods, acts, and practices which are defined as unfair or deceptive

2 The following are declared to be unfair methods of competition and unfair
3 or deceptive acts or practices in the business of insurance:

4 * * *

5 (13) ~~Fraudulent insurance act. A fraudulent insurance act is one committed~~
6 ~~by a person who knowingly and with intent to defraud presents, causes to be~~
7 ~~presented, or prepares with knowledge or belief that it will be presented to or by an~~
8 ~~insurer, purported insurer, producer, or any agent thereof, any written statement as~~
9 ~~part of, or in support of, or in opposition to an application for the issuance of, or the~~
10 ~~rating of an insurance policy for commercial insurance, or a claim for payment or~~
11 ~~other benefit pursuant to an insurance policy for commercial or personal insurance~~
12 ~~which he knows to contain materially false information concerning any fact material~~
13 ~~thereto; or conceal for the purpose of misleading information concerning any fact~~
14 ~~material thereto.~~ Committing a fraudulent insurance act as defined in R.S. 22:1923.

15 * * *

16 §2198. Procedure and subpoena power of commissioner

17 A.(1) Upon receipt of information, evidence, or other reason to believe that
18 a person or entity may be in possession, custody, or control of any documentary or
19 non-documentary information relevant to an investigation for a possible violation of
20 any provision of Chapter 7 of this Title, or violation of any prohibitory insurance law
21 in this state. ~~The~~ the commissioner of insurance or other employee designated by him
22 for that purpose, ~~shall have power to compel~~ may issue and serve a subpoena
23 compelling the attendance of any person the person or entity by subpoena at a
24 hearing or investigation ~~proceeding,~~ proceeding.

25 (2) The commissioner may subpoena, to administer oaths, and to examine
26 any person under oath concerning the business, conduct, or affairs of any company,
27 entity, or persons subject to the provisions of this Code, and in connection therewith
28 to require the production of any books, records, or papers relative to a hearing,
29 inquiry, or investigation.

