

2025 Regular Session

SENATE BILL NO. 199

BY SENATOR MYERS

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

INSURANCE DEPARTMENT. Provides for the authority of the Department of Insurance in instances of fraud. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 22:1961, 1963, and 1968(A) and (B) and to enact R.S.
3 22:1962(G) and 1968(C), relative to insurance fraud; to provide for definitions; to
4 provide for actions against unlicensed persons engaged in the business of insurance;
5 to provide for action by the commissioner; to provide for technical changes; to
6 provide for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:1961, 1963, and 1968(A) and (B) are hereby amended and
9 reenacted and R.S. 22:1962(G) and 1968(C) are hereby enacted to read as follow:

10 §1961. Purpose

11 The purpose of this Part is to regulate the trade practices in and affairs of
12 every person engaged in the business of insurance, in accordance with the intent of
13 congress as expressed in Public Law 15-79th Congress, by defining or providing for
14 the determination of all acts, methods, and practices which constitute unfair methods
15 of competition and unfair or deceptive acts and practices in this state, and to prohibit
16 the same.

17 §1962. Definitions

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When used in this Part:

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G. "Business of insurance" means any of the following:

(1) Any action concerning the sale, advertisement, or solicitation of a contract or policy of insurance.

(2) Aiding in the resolution of a claim or benefit under an insurance policy involving an insurer or a person who acts on behalf of an insurer, directly or indirectly, and an insured, claimant, or any person who acts on behalf of an insured or claimant, directly or indirectly.

§1963. Unfair methods and unfair or deceptive acts and practices prohibited

No person shall engage in this state in any trade practice **or act affecting the business of insurance** which is defined in this Part to be an unfair method of competition or an unfair or deceptive act or practice in the conduct of the business of insurance, including unauthorized insurance as provided in R.S. 22:1902 et seq. or the failure to maintain professional liability insurance, if such coverage is required pursuant to R.S. 22:1570.1.

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§1968. Notice of hearing

A. If the commissioner has reason to believe that any person **licensed by the department** has been engaged or is engaging in this state in any unfair trade practice as defined in this Code, whether or not defined in this Part, the commissioner shall issue a notice of wrongful conduct to that person in accordance and compliance with R.S. 49:977.3 describing the unfair trade practice and citing the law which is deemed by the commissioner to be violated.

B. **If the commissioner has reason to believe that any person not licensed by the department but has engaged or is engaging in the business of insurance in this state and committed or is committing any unfair trade practice as defined in this Code, whether or not defined in this Part, the commissioner may take action against the person consistent with the provisions of this Code**

1 without adhering to any of the requirements pursuant to R.S. 22:1921 et seq.

2 However, nothing in this Subsection shall preclude a person aggrieved by a

3 decision of the commissioner from seeking any other remedy provided by law.

4 C. The commissioner may promulgate and adopt rules in accordance with the
5 Administrative Procedure Act to provide means of electronic delivery of the notice
6 required in this Section.

7 Section 2. This Act shall become effective upon signature by the governor or, if not
8 signed by the governor, upon expiration of the time for bills to become law without signature
9 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
10 vetoed by the governor and subsequently approved by the legislature, this Act shall become
11 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Senate Legislative Services.
The keyword, summary, and digest do not constitute part of the law or proof
or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

DIGEST

SB 199 Original

2025 Regular Session

Myers

Present law provides for regulation of unfair trade practices in the business of insurance by the commissioner of insurance.

Proposed law retains present law.

Proposed law defines "business of insurance".

Proposed law prohibits any act affecting the business of insurance that is an unfair method of competition or an unfair or deceptive act in the conduct of the business of insurance.

Proposed law authorizes the commissioner to take action against any person not licensed by the Department of Insurance who the commissioner has reason to believe is engaged or has been engaged in the business of insurance and committed any unfair trade practice without requiring the commissioner to adhere to any hearing requirements that would be required if the person was licensed by the department. Provides that proposed law shall not preclude a person aggrieved by a decision of the commissioner from seeking any other remedy provided by law.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 22:1961, 1963, and 1968(A) and (B); adds R.S. 22:1962(G) and 1968(C))