
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Cheryl Horne.

DIGEST

Present law provides for a section of insurance fraud within the Dept of Insurance with the responsibility to conduct investigations and criminal background checks on all applicants for licenses or certificates of authority to transact a business of insurance.

Proposed law creates a division of insurance fraud and a deputy commissioner of insurance fraud within the Dept. of Insurance with the responsibilities provided in present law for the insurance fraud section and adds certain powers and duties as they relate to the investigation, prosecution, and prevention of violations of La. insurance laws.

Present law provides that if, during the course of investigation, the Dept. of Insurance determines that there may be a violation of any criminal law, the investigation shall be turned over to the Dept. of Justice, the Dept. of Public Safety and Corrections, public safety services, office of state police, and any other appropriate law enforcement or prosecutorial agency for further investigation, enforcement, or prosecution.

Proposed law provides that if the division of insurance fraud determines that there may be a violation of any criminal law, the division shall then coordinate further actions with the agencies in present law.

Proposed law creates the division of insurance fraud as a law enforcement agency and confers all investigative powers and privileges appurtenant to a law enforcement agency under state law as necessary in furtherance of the authority, duties, powers and functions of the division. Provides that the powers and privileges shall include arrest powers related to insurance fraud, access to computer systems, information maintained for the use of law enforcement personnel, any information contained in the criminal history record and identification file of the La. Bureau of Criminal Identification and Information as well as direct access to information compiled by the Federal Bureau of Investigation for the purposes of carrying out the division's responsibilities.

Proposed law requires the deputy commissioner of insurance fraud and all compliance investigators of the insurance fraud division to be peace officers with all privileges, immunities, and defenses accorded to peace officers, including the authority to investigate insurance fraud cases and cause the arrest of individuals suspected of having violated insurance fraud as defined in present law. Permits the commissioner of insurance to issue a commission authorizing any deputy commissioner of insurance fraud or any compliance investigator who is P.O.S.T.-certified to carry and use firearms.

Proposed law eliminates the office of receivership within the Department of Insurance.

Effective August 1, 2013.

(Amends R.S. 22:3, 1921, 1922, 1926, 1927, 1928(A) (intro para), 1929(A), and R.S. 36:681(C)(1); adds R.S. 36:691.1; repeals R.S. 36:691)