

2023 Regular Session

HOUSE BILL NO. 405

BY REPRESENTATIVE GAROFALO

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

INSURANCE: Provides for technical corrections

1 AN ACT

2 To amend and reenact R.S. 22:1260.5(B)(1) and 1260.9(B) and to repeal R.S.
3 22:1672(A)(17), relative to technical corrections to the Louisiana Insurance Code;
4 to make corrective changes to certain internal citations; to repeal references to
5 repealed law; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:1260.5(B)(1) and 1260.9(B) are hereby amended and reenacted
8 to read as follows:

9 §1260.5. Charges and fees; refund requirements; bundling of services

10 * * *

11 B.(1) If a member cancels his membership in the discount medical plan
12 organization within the first thirty days after the date of receipt of the written
13 document for a discount medical plan as described in ~~R.S. 22:2397~~ R.S. 22:1260.7,
14 the member shall receive a reimbursement of all periodic charges and the amount of
15 any one-time processing fee that exceeds thirty dollars upon return of the discount
16 medical plan card to the discount medical plan organization.

17 * * *

18 §1260.9. Penalties

19 * * *

Present law provides that a person that willfully operates as or aids and abets another person, who operates as a discount medical plan organization, shall be determined to have committed insurance fraud.

Present law provides that, in addition to being determined to have committed insurance fraud, the aforementioned person will be subject to a penalty of not more than \$1,000 for each and every act or violation, not to exceed \$100,000. Present law further provides that if the person knew or should have reasonably known that he was in violation of present law, then he will be subject to a penalty of not more than \$25,000 for each and every violation, not to exceed \$250,000 in any six-month period.

Present law provides that the commissioner of insurance may place on probation, suspend, revoke, or refuse to issue, renew, or reinstate a claims adjuster's license or he may levy a fine up to \$500 for each violation, not to exceed \$10,000, for all violations in a calendar year, unless there is a greater penalty established in present law for any cause listed in present law.

Proposed law repeals present law.

(Amends R.S. 22:1260.5(B)(1) and 1260.9(B); Repeals R.S. 22:1672(A)(17))