

RULE

Department of Insurance Office of the Commissioner

Rule 13—Special Assessment to Pay the Cost of Investigation, Enforcement, and Prosecution of Insurance Fraud (LAC 37:XI.Chapter 23)

The Department of Insurance, pursuant to the authority of the Louisiana Insurance Code, R.S. 22:1 et seq., and in accordance with the Administrative Procedure Act, R.S. 49:950 et seq., has amended Rule 13.

The purpose of the amendment to Rule 13 is to implement the provisions of R.S. 40:1428 by assessing a fee on insurers to pay the cost of investigation, enforcement, public education and public awareness, and prosecution of insurance fraud in this state more fully described in R.S. 40:1421-1429 and this Rule.

In accordance with the Administrative Procedure Act, and through the authority granted under R.S. 22:1 and 22:11 et seq., the Department of Insurance has amended Rule 13. Rule 13 was originally promulgated in 2000, in accordance with the authority provided through R.S. 40:1428 and 1429. Since Rule 13 was originally published, R.S. 40:1428 and 1429 have been amended by Act 369 of the 2001 Regular Session; Act 293 of the 2003 Regular Session; Act 1013 of the 2010 Regular Session; Act 193 of the 2016 Regular Session, Act 147 of the 2018 Regular Session, and Act 114 of the 2021 Regular Session. This Rule is hereby adopted on the day of promulgation.

Title 37

INSURANCE

Part XI. Rules

Chapter 23. Rule 13—Special Assessment to Pay the Cost of Investigation, Enforcement, and Prosecution of Insurance Fraud

§2303. Fee Assessment

A. - C. ...

D. Prior to making the allocations specified in §2307 of this Rule, the Commissioner of Insurance is authorized to withhold the sum of \$30,000 per year from the fees collected to defray the expenses of collection of the fees, enforcement of this Subpart, and operation of the Department of Insurance and shall withhold \$187,000 to fund the Automobile Theft and Insurance Fraud Prevention Authority Dedicated Fund Account pursuant to R.S. 22:2134.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2 and 40:1428.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Commissioner of Insurance, LR 26:323 (February 2000), amended LR 45:64 (January 2019), LR 50:526 (April 2024).

§2307. Allocation of the Fee Assessment

A. Except as otherwise provided in §2303.D of this rule, fees shall be allocated as follows.

1. Seventy-five percent of the fees collected shall be allocated to the Insurance Fraud Investigation Unit within the Office of State Police.

2. Fifteen percent of the fees collected shall be allocated to the Department of Justice to be used solely for the Insurance Fraud Support Unit.

3. Ten percent of the fees collected shall be allocated to the Department of Insurance to be used solely for the Office of Insurance Fraud.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2 and 40:1428.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Commissioner of Insurance, LR 26:323 (February 2000), amended LR 45:64 (January 2019), LR 50:526 (April 2024).

§2309. Payment of the Fee Assessment

A. The fee established in R.S. 40:1428 and in this rule shall be paid to the Commissioner of Insurance as required by R.S. 40:1428(B).

B. After compliance with the requirements of Article VII, Section 9(B) of the Constitution of Louisiana relative to the Bond Security and Redemption Fund, an amount equal to that deposited as required by R.S. 40:1428 (C) shall be credited to the Insurance Fraud Investigation Dedication Fund Account in the state treasury. The monies shall be irrevocably dedicated and deposited in the insurance fraud investigation dedication fund account and shall be used solely as provided in R.S. 40:1428(A) and only in the amounts appropriated by the legislature. Monies in the fund shall be appropriated, administered, and used solely and exclusively for the purposes of the fraud unit, fraud support unit, office of insurance fraud, LATIFPA, and as further provided in R.S. 40:1428. All unexpended and unencumbered monies in this fund at the end of the fiscal year shall be refunded to each insurer licensed by the Department of Insurance to conduct business in this state assessed a fee pursuant to R.S. 40:1428 on a pro-rata basis based on each insurer's proportionate share of the total fees collected pursuant to this section.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2 and 40:1428.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Commissioner of Insurance, LR 26:323 (February 2000), amended LR 45:64 (January 2019), LR 50:526 (April 2024).

§2313. Sunset

A. The special assessment for the automobile theft and insurance fraud prevention authority dedicated fund account as well as the insurance fraud investigation dedication fund account shall be null, void, and unenforceable on July 1, 2024, unless legislative authorization for this rule is reenacted, amended, or re-promulgated prior to July 1, 2024.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2 and 40:1428.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Commissioner of Insurance, LR 26:323 (February 2000), amended LR 45:65 (January 2019), amended LR 50:526 (April 2024).

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Commissioner

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