

GREEN SHEET REDIGEST

HB 585

2021 Regular Session

Geymann

INSURANCE/HOMEOWNERS: Provides relative to homeowner's insurance claims settlement practices

DIGEST

Proposed law provides that an insurer shall issue a copy of the insurer's field adjuster report, relative to the insured's property damage claim, to the insured within 15 days of receiving a request for such from the insured.

Present law provides that failure to make payment within 30 days after receipt of such satisfactory written proofs and demand therefor or failure to make a written offer to settle any property damage claim, within 30 days after receipt of satisfactory proofs of loss of that claim, or failure to make such payment within 30 days after written agreement or settlement, shall subject the insurer to a penalty of 50% damages on the amount found to be due from the insurer to the insured, or \$1,000, whichever is greater, or in the event a partial payment or tender has been made, 50% of the difference between the amount paid or tendered and the amount found to be due as well as reasonable attorney fees and costs.

Proposed law retains present law but provides that in cases of a presidential or gubernatorially declared disaster failure to make a payment within 30 days after receipt of satisfactory written proofs and demand or failure to make a written offer to settle any property damage claim, including a third-party claim, within 30 days after receipt of satisfactory proofs of loss or failure to make payment within 30 days after written agreement or settlement when the failure is found to be arbitrary, capricious, or without probable cause, shall subject the insurer to a penalty, in addition to the amount of the loss, of 50 % damages on the amount found to be due from the insurer to the insured, or \$2,500, whichever is greater, payable to the insured, or if a partial payment or tender has been made, 50% of the difference between the amount paid or tendered and the amount found to be due as well as reasonable attorney fees and costs or \$2,500, whichever is greater. Provides that penalties, if awarded, shall not be used by the insurer in computing either past or prospective loss experience for the purpose of setting rates or making rate filings.

(Amends R.S. 22:1892(B)(1); adds R.S. 22:1892(A)(5))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Restore the time frames prescribed in present law in which insurers must pay the amount due on claims, initiate loss adjustment of a property damage claim and a claim for reasonable medical expenses, and make a written offer to settle property damage claims.
2. Change the process in proposed law for which insurers shall follow if an insured provides the insurer with an alternative adjustment with a discrepancy in damages.
3. Delete proposed law concerning the commissioner being personally liable for failing to ensure insurers comply with certain provisions of law.
4. Restore the damages amounts a claimant is entitled to in present law when an insurer breaches certain imposed duties.

The House Floor Amendments to the engrossed bill:

1. Delete the damage estimate dispute resolution provisions for property damage claims in proposed law.
2. Make a technical change.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the reengrossed bill

1. Changes bill to provide payment of claims in presidentially or gubernatorially declared disasters.