

Regular Session, 2010

SENATE BILL NO. 786

BY SENATOR QUINN

INSURANCE CLAIMS. Provides relative to payment of certain proceeds and penalties under certain circumstances. (8/15/10)

1 AN ACT

2 To enact R.S. 22:1892(E), relative to payment and adjustment of claims for policies other
3 than life and health and accident; to provide relative to payment of certain claims;
4 to provide certain procedures and conditions; to provide for penalties under certain
5 circumstances; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:1892(E) is hereby enacted to read as follows:

8 §1892. Payment and adjustment of claims, policies other than life and health and
9 accident; personal vehicle damage claims; extension of time to
10 respond to claims during emergency or disaster; penalties; arson-
11 related claims suspension

12 * * *

13 **E.(1) Any financial institution or other entity in which payment incident**
14 **to a claim as provided in this Subsection is received shall, immediately upon**
15 **receipt of such payment, endorse the check and remit the proceeds pursuant to**
16 **law within thirty days of receipt.**

17 **(2) Any financial institution or other entity failing to comply with the**

- 1 **provisions of this Subsection shall pay to the insured a penalty equal to ten**
2 **percent of the amount of the proceeds to be remitted, or five thousand dollars,**
3 **whichever is greater.**
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The original instrument was prepared by Cheryl Horne. The following digest, which does not constitute a part of the legislative instrument, was prepared by Jerry G. Jones.

DIGEST

Quinn (SB 786)

Proposed law, relative to payment of certain insurance claims, provides that any financial institution or other entity in which the payment incident to a claim is received shall, immediately upon receipt of such payment, endorse the check and remit the proceeds pursuant to law within 30 days of receipt. Also provides that any financial institution or other entity failing to comply with the proposed law shall pay to the insured a penalty equal to 10% of the amount of the proceeds to be remitted, or \$5000, whichever is greater.

Effective August 15, 2010.

(Adds R.S. 22:1892(E))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Judiciary A to the original bill.

1. Deleted language relative to attorney's privilege on proceeds.
2. Provided for payment of penalty to insured rather than attorney.