

2019 Regular Session

HOUSE BILL NO. 411

BY REPRESENTATIVE TERRY LANDRY AND SENATOR MILLS AND REPRESENTATIVES BAGNERIS, BILLIOT, CARPENTER, GARY CARTER, CHANEY, DUPLESSIS, GAINES, GLOVER, JACKSON, JAMES, JEFFERSON, JENKINS, JORDAN, LARVADAIN, LEBAS, LYONS, NORTON, PYLANT, SMITH, AND STAGNI

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

INSURANCE/AUTOMOBILE: Provides for insureds to have the option to choose a particular motor vehicle repair shop

1 AN ACT

2 To amend and reenact R.S. 22:1892(D), relative to claims for motor vehicle repairs; to
3 prohibit an insurer from requiring motor vehicle repairs be made in a particular place
4 or shop; to provide limitations for insurers; to provide for fines to be levied by the
5 commissioner of insurance; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:1892(D) is hereby amended and reenacted 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 respond to
10 claims during emergency or disaster; penalties; arson-related claims
11 suspension

12 * * *

13 D.(1) When making a payment incident to a claim, no insurer shall require
14 ~~that as a condition to such payment,~~ repairs be made to a motor vehicle, including
15 window glass repairs or replacement, in a particular place or shop or by a particular
16 entity. ~~Any insurer violating the provisions of this Subsection shall be fined not~~
17 ~~more than five hundred dollars for each offense.~~

18 (2) An insurer shall not recommend the use of a particular motor vehicle
19 service or network of repair services without informing the insured or claimant that

1 the insured or claimant is under no obligation to use the recommended repair service
 2 or network of repair services.

3 (3) An insurer shall not engage in any act or practice of intimidation,
 4 coercion, or threat to use a specified place of business for repair and replacement
 5 services.

6 (4) The commissioner may levy the following fines against any insurer that
 7 violates this Subsection:

8 (a) For a first offense, one thousand dollars.

9 (b) For a second offense within a twelve-month period, two thousand five
 10 hundred dollars.

11 (c) For a third or subsequent offense within a twelve-month period, five
 12 thousand dollars.

13 ~~(2)~~(5) A violation of this Subsection shall constitute an additional ground,
 14 under R.S. 22:1554, for the commissioner to refuse to issue a license or to suspend
 15 or revoke a license issued to any producer to sell insurance in this state.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 411 Reengrossed

2019 Regular Session

Terry Landry

Abstract: Prohibits insurance companies from requiring claimants to use a particular place or shop for motor vehicle service or glass window repair.

Present law prohibits an insurer from requiring the insured to use a particular place or shop as a condition when making a payment incident to a claim.

Proposed law expands present law to prohibit an insurer from requiring that an insured has to use a particular place or shop for repairs.

Proposed law requires that an insurer shall provide notice in any circumstance to the insured that there is no requirement to use a recommended place or shop for motor vehicle service or glass window repair.

Present law provides that if the insurer is found to have violated present law then the insurer shall be fined no more than \$500 for each offense.

Proposed law repeals present law and provides that if the insurer violates present law then the commissioner of insurance shall fine the insurer \$1,000 for the first offense, \$2,500 for a second offense that occurs within a twelve-month period of the first offense, and \$5,000

for a third or subsequent offense that occurs within a twelve-month period of the preceding offense.

(Amends R.S. 22:1892(D))

Summary of Amendments Adopted by House

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

1. Delete proposed law that prohibits insurers from incentivizing or inducing an insured or claimant to use a specific place or shop for repairs.

The House Floor Amendments to the engrossed bill:

1. Make technical changes.