
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Cheryl Horne.

DIGEST

Proposed law grants a privilege for proceeds due an attorney when payment is made on a claim on which the insured has executed a contract in which the attorney acquires as his fee an interest in the subject matter of the claim and requires that this privilege be superior to that of any loss payee on the policy.

Proposed law requires any financial institution or other entity in which the payment on a claim is deposited to pay, immediately upon receipt, the amount of the attorney's privilege to the attorney possessing the privilege. Provides that failure to comply with proposed law subjects the institution or entity to payment of a penalty equal to 10% or the amount of the privilege or \$5,000, whichever is greater, to the attorney.

Effective August 15, 2010.

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