

**HOUSE SUMMARY OF SENATE AMENDMENTS****HB 585****2021 Regular Session****Geymann**

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

**Synopsis of Senate Amendments**

1. Restores the present law penalty for insurers who fail to make payment on claims within 30 days and the present law penalty for insurers who make partial payments.
2. Provides that in the case of a presidentially or gubernatorially declared disaster, failure to make payment on a claim or make a written settlement offer within 30 days of receiving proof and demand for such when such failure is arbitrary, capricious, or without probable cause shall subject the insurer to a penalty of 50% damages on the amount found to be due or \$2,500, whichever is greater.
3. Provides that in the case of a presidentially or gubernatorially declared disaster, if a partial payment on a claim has been made, the insurer shall pay a penalty to the insured in the amount of 50% of the difference between the amount paid and the amount due as well as reasonable attorney fees or \$2,500, whichever is greater.
4. Provides that the penalties in proposed law, if awarded, shall not be used by the insurer in computing past or prospective loss experience for the purpose of setting rates or making rate filings.
5. Makes technical changes.

**Digest of Bill as Finally Passed by Senate**

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 presidentially or gubernatorially declared disaster failure to make payment on a claim or make a written settlement offer within 30 days of receiving proof and demand for such when such failure is arbitrary, capricious, or without probable cause shall subject the insurer to a penalty of 50% damages on the amount found to be due or \$2,500, whichever is greater.

Proposed law provides that in the case of a presidentially or gubernatorially declared disaster, if a partial payment on a claim has been made, the insurer shall pay a penalty to the insured in the amount of 50% of the difference between the amount paid and the amount due as well as reasonable attorney fees or \$2,500, whichever is greater.

Proposed law provides that the penalties in proposed law, if awarded, shall not be used by the insurer in computing past or prospective loss experience for the purpose of setting rates or making rate filings.

Proposed law removes unnecessary language from present law.

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