

2022 Regular Session

HOUSE BILL NO. 881

BY REPRESENTATIVE BOURRIAQUE

INSURERS: Provides for the Louisiana Insurance Guaranty Association

1 AN ACT

2 To amend and reenact R.S. 22:2067, relative to liability for the Louisiana Insurance
3 Guaranty Association; to provide for the time frame within which the association
4 shall make payment on a claim or an offer to settle; to provide methods of
5 determining receipt of satisfactory proof of loss; to provide for penalties; to provide
6 for stays of proceedings; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:2067 is hereby amended and reenacted to read as follows:

9 §2067. Immunity; exceptions

10 A. There Except as provided in Subsection B of this Section, there shall be
11 no liability on the part of and no cause of action of any nature shall arise against any
12 member insurer, the association or its agents or employees, the board of directors,
13 or the commissioner or his representatives for any action taken by them in the
14 performance of their powers and duties ~~under~~ in accordance with this Part. This
15 immunity shall extend to the participation in any organization of one or more other
16 state associations of similar purposes and to any such organization and its agents or
17 employees.

18 B.(1) If the association fails to make payment on a claim or a written offer
19 to settle within thirty days of receiving satisfactory proof of loss and such failure is

1 found to be arbitrary, capricious, or without probable cause, the association shall be
2 subject to the penalties pursuant to R.S. 22:1892(B)(1).

3 (2) For the purposes of this Subsection, the association shall be considered
4 to have received satisfactory proof of loss if any of the following occur:

5 (a) The association is in receipt of records of satisfactory proof of loss from
6 a member insurer or its receiver.

7 (b) The association is in receipt of satisfactory proof of loss from an insured
8 or any party having an interest in a claim.

9 (c) The association is in receipt of written notice of a failure to pay a
10 settlement reached with a member insurer, prior to entry of an order of receivership.

11 (3) The provisions of R.S. 22:2068(A) are not applicable to first-party claims
12 for damage to immovable property, if satisfactory proof of loss has been provided
13 to the association as specified in Paragraph (2) of this Subsection.

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 881 Original

2022 Regular Session

Bourriaque

Abstract: Provides for liability for the Louisiana Insurance Guaranty Association.

Present law provides that there shall be no liability on the part of and no cause of action arising against any member insurer, the association or its agents or employees, the board of directors, or the commissioner or his representatives for any action taken by them in the performance of their powers and duties.

Proposed law adds an exception to the immunity provided in present law.

Proposed law provides that if the association fails to make payment on a claim or a written offer to settle within 30 days of receiving satisfactory proof of loss and such failure is found to be arbitrary, capricious, or without probable cause, the association shall be subject to certain penalties.

Proposed law provides that the association shall be considered to have received satisfactory proof of loss if any of the following occur:

- (1) The association is in receipt of records of satisfactory proof of loss from a member insurer or its receiver.
- (2) The association is in receipt of satisfactory proof of loss from an insured or any party having an interest in a claim.

- (3) The association is in receipt of written notice of a failure to pay a settlement reached with a member insurer, prior to entry of an order of receivership

Proposed law provides that the stay of proceedings provision in present law (R.S. 22:2068(A)) is not applicable to first-party claims for damage to immovable property, if satisfactory proof of loss has been provided to the association as specified in proposed law.

(Amends R.S. 22:2067)