
DIGEST

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HB 539 Engrossed

2022 Regular Session

Firment

Abstract: Provides for property insurance policies.

Present law provides certain conduct that is considered to be an unfair method or competition and unfair or deceptive act or practice in the business of insurance.

Proposed law retains present law and provides that violation of proposed law (R.S. 37:2175.3(A)(12) and (13)) shall be considered to be an unfair method or competition and unfair or deceptive act or practice in the business of insurance.

Present law prohibits persons performing home improvement contracting from engaging in certain acts.

Proposed law retains present law and prohibits persons performing home improvement contracting from engaging in the following acts:

- (1) Interpreting insurance policy provisions or advising an insured regarding coverage or duties under the insured's property insurance policy.
- (2) Adjusting a property insurance claim on behalf of an insured.
- (3) Providing an insured with an agreement authorizing repairs without providing a good faith estimate of the itemized and detailed cost of services and materials for repairs undertaken pursuant to a property damage claim.

Proposed law provides that in addition to administrative sanctions, violation of proposed law (R.S. 37:2175.3(A)(12) and (13)) shall constitute an unfair trade practice, and the penalties contained in present law (R.S. 22:1969) may be enforced by the commissioner of insurance.

Present law provides that no person selling or engaging in the sale of goods or services shall advertise or promise to provide goods or services or offer to pay, pay, or rebate any part of an insurance deductible as part of an arrangement for goods and services paid for with proceeds from an insurance policy.

Proposed law repeals present law and provides that no person selling or engaging in the sale of goods or services shall provide a good or service or advertise or promise to provide goods or services to an insured in a transaction in which the good or service will be paid for with proceeds of a property

insurance claim and the person selling the good or service, without the insurer's consent, will do any of the following:

- (1) Pay, waive, absorb, or otherwise decline to charge or collect the amount of the insured's deductible.
- (2) Provide a rebate or credit in connection with the sale of a good or service that will offset all or part of the amount paid by the insured as a deductible.
- (3) In any manner, assist the insured in avoiding monetary payment of the required insurance deductible.

Proposed law provides language for a notice that shall be included in contracts to provide a good or service that is reasonably expected to be paid with proceeds from a claim under an insurance policy.

(Amends R.S. 51:451(A); Adds R.S. 22:1964(A)(31), R.S. 37:2175.3(A)(12)-(14) and (B)(3), and R.S. 51:452)

Summary of Amendments Adopted by House

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

1. Remove provisions of proposed law regarding the adjustment and settlement of first-party loss based on repair or replacement costs.
2. Provide that a violation of proposed law (R.S. 37:2175.3(A)(12) and (13)) shall be considered an unfair trade practice and provides the penalties for violation of proposed law.
3. Remove an exception from proposed law (R.S. 37:2175.3(A)(13)) for contractors who have a public adjuster license.
4. Make technical changes.