SENATE COMMITTEE AMENDMENTS

2024 Regular Session

Amendments proposed by Senate Committee on Insurance to Original Senate Bill No. 458 by Senator Bass

1 AMENDMENT NO. 1

On page 1, line 2, delete "R.S. 37:218(A)," and insert "R.S. 37:218 and to enact R.S.
22:1276,"

4 AMENDMENT NO. 2

5 On page 1, line 3, after "contracts;" insert the following:

6 "to provide for a short title; to provide that certain contracts are null, void,
7 and unenforceable; to provide for definitions; to prohibit certain coverage by
8 legal malpractice insurance; to provide for an effective date; to provide for
9 applicability;"

10 AMENDMENT NO. 3

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- 11 On page 1, between lines 4 and 5, insert the following:
- 12 "Section 1. R.S. 22:1276 is hereby enacted to read as follows:

13 §1276. Legal malpractice insurance

A. On and after August 1, 2024, any insurance policy issued or renewed in this state that provides legal malpractice coverage shall exclude coverage for any contingency fee contract between the attorney and his client that does not comply with the provisions of R.S. 37:218. B. In the event of a claim on a policy issued or renewed in accordance with Subsection A of this Section, any liability resulting from

- 19accordance with Subsection A of this Section, any liability resulting from20any action or inaction by the attorney in a suit, proposed suit, or claim21on behalf of a client shall not be compensable under the policy if the22contract between the attorney and the client provides for an interest in23the subject matter of the suit, proposed suit, or claim as the attorney's24fee and the contract does not comply with the provisions of R.S. 37:218.25C. Any legal malpractice insurance policy issued or renewed on26and after August 1, 2024, which contains a condition or provision not in27accordance with this Section but is atherwise valid shall not be rendered
- 27compliance with this Section but is otherwise valid, shall not be rendered28invalid, but shall be construed and applied in accordance with the29conditions and provisions which would have applied had the policy been30in full compliance with this Section."

31 AMENDMENT NO. 4

On page 1, at the beginning of line 5, delete "Section 1. R.S. 37:218(A)" and insert "Section
2. R.S. 37:218"

- 34 <u>AMENDMENT NO. 5</u>
- 35 On page 1, at the end of line 7, insert "<u>; client protections</u>"
- 36 AMENDMENT NO. 6
- 37 On page 1, between lines 7 and 8, insert the following:

38"A. This Section shall be known and may be cited as the39"Plaintiff Protection from Predatory Practices Law"."

- 1 AMENDMENT NO. 7
- 2 On page 1, at the beginning of line 8, change "A." to "**<u>B.</u>**"
- 3 AMENDMENT NO. 8
- 4 On page 1, line 11, after "property." change "Such" to "Such <u>The</u>"
- 5 <u>AMENDMENT NO. 9</u>
- 6 On page 1, line 13, after "In" change "such" to "such the"
- 7 AMENDMENT NO. 10
- 8 On page 2, line 1, after "After" change "such" to "such the"
- 9 AMENDMENT NO. 11
- 10 On page 2, line 4, after "as if" delete "such"
- 11 <u>AMENDMENT NO. 12</u>

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12 On page 2, delete line 6 and insert the following:

"C.(1) Any contract authorized by Subsection B of this Section shall be absolutely null, void, and unenforceable in the state of Louisiana as contrary to public policy if the contract includes any of the following: (a) A contingency fee in excess of twenty-five percent of the total amount of compensation received in the suit, proposed suit, or claim, reduced by amounts specified in Subparagraphs (b) and (c) of this Paragraph, as applicable.

(b) A contingency fee on that portion of the total amount of compensation received in the suit, proposed suit, or claim that is equivalent to the amount of a written settlement offer received by the client from an opposing party prior to the date of execution of the initial contract between the client and an attorney for representation in the matter.

(c) A contingency fee on that portion of the amount of compensation received for property damage to a motor vehicle.

(d) A contingency fee in a medical liability claim that exceeds twenty-five percent of the first two hundred fifty thousand dollars of compensation received and exceeds ten percent of the total amount of compensation received in excess of two hundred fifty thousand dollars.

(2) The protections for clients required in contingency fee contracts as provided in Paragraph (1) of this Subsection shall apply exclusive of reasonable and customary costs, whether recovery is received by judgment, settlement, or otherwise, and regardless of the number of opposing parties.

(3) Any contract authorized by Subsection B of this Section between the attorney and his client that provides an interest in the subject matter of the suit, proposed suit, or claim as the attorney's fee shall require that the client's net recovery exceed the attorney's fee.

B: D.(1) The term "fee", as used in this Section, means the agreed upon fee, whether fixed or contingent, and any and all other amounts advanced by the attorney to or on behalf of the client, as permitted by the Rules of Professional Conduct of the Louisiana State Bar Association.

(2) The term "reasonable and customary costs", as used in this Section, shall be as permitted by the Rules of Professional Conduct of the Louisiana State Bar Association.

<u>E. The provisions of this Section shall be considered an exercise</u> of the police powers of the state to protect the public health, safety, and welfare of the people of the state from predatory practices.

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Section 3.(A) This Act shall become effective on August 1, 2024. (B) The provisions of this Act shall apply to any contract executed on and after August 1, 2024, between an attorney and his client that provides for an interest in the subject matter of the suit, proposed suit, or claim as the attorney's fee."