
DIGEST

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HB 437 Engrossed

2025 Regular Session

Firment

Abstract: Requires claimants to meet deductible payments, authorizes insurers to require proof of loss statements, and increases penalties for insurers who fail to timely settle claims for rental vehicles.

Proposed law authorizes an insurer issuing a property insurance policy with replacement cost coverage to refuse to pay a claim for withheld recoverable depreciation or a replacement cost holdback until the insurer receives reasonable proof of the policyholder's payment of any applicable deductible. Provides methods of reasonable proof of payment including but not limited to a canceled check, credit card statement, or a copy of a financing arrangement that requires full payment of the deductible over time.

Present law provides a method for determining retail costs of property. Provides for retail costs to be determined by a generally recognized used motor vehicle industry source such as an electronic database or guidebook with certain features. Proposed law modifies the source as a used motor vehicle source generally recognized by the business industry. Otherwise retains present law.

Proposed law authorizes insurers issuing property insurance policies to require claimants to submit a proof of loss statement before the insurer makes payment on the claim. Requires insurers to provide a proof of loss statement form to claimants that is the same or substantially similar to the form prescribed by the commissioner of insurance (commissioner). Further requires insurers to file their proof of loss statement with the commissioner and receive approval prior to requiring claimants to complete the form.

Proposed law requires insurers that mandate a proof of loss statement to provide the insurer's form to the claimant within 10 business days of receiving the claim. Further requires insurers to make the proof of loss statement form easily accessible on their website.

Proposed law provides that if an insurer requires a proof of loss statement, the insurer's receipt of a completed proof of loss statement from the claimant will be the only means of constituting satisfactory proof of loss, as required by present law (R.S. 22:1892 and 1892.2). Further requires insurers to notify claimants whether the proof of loss statement was complete or incomplete within 10 business days of receipt of the statement.

Proposed law authorizes the commissioner to promulgate and adopt rules and regulations in accordance with the APA for implementing and enforcing proposed law related to proof of loss statements.

Present law requires an insurer to pay reasonable expenses incurred by a third-party claimant who obtains alternative transportation when the claimant is without the use of his personal vehicle; the third-party claimant has filed a property damage claim on the vehicle; and the consequential inactions of the insurer cause the claimant to be deprived of the vehicle's use for more than five working days, excluding Saturdays, Sundays, and holidays.

Proposed law retains present law and clarifies five working days as five business days.

Present law provides that if an insurer fails to pay the third-party claimant within 30 days after receipt of adequate written proof and demand, and the insurer's failure is found to be arbitrary, capricious, or without probable cause, the insurer is required to pay the third-party claimant's reasonable expenses and a penalty not to exceed 10% of the reasonable expenses or \$1,000, whichever is greater, along with reasonable attorney fees.

Proposed law retains present law but increases a portion of the potential penalty from \$1,000 to \$2,500.

Proposed law provides that if an insurer fails to provide rental vehicle coverage to a first-party insured who is entitled to coverage within three business days of the insured's written request, and the insurer's failure is found to be arbitrary, capricious, or without probable cause, the insurer is required to pay the first-party insured's reasonable expenses and a penalty not to exceed 50% of the reasonable expenses or \$2,500, whichever is greater.

(Amends R.S. 22:1892(A)(7), (B)(4), and (B)(5)(intro. para.) and (b); Adds R.S. 22:1892(A)(8) and 1892.3)