2025 Regular Session

ACT No. 500

HOUSE BILL NO. 437

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BY REPRESENTATIVES FIRMENT, BERAULT, BILLINGS, BUTLER, CARRIER, CARVER, COX, DEVILLIER, DEWITT, EGAN, EMERSON, MIKE JOHNSON, MCFARLAND, OWEN, AND WILDER

AN ACT

2	To amend and reenact R.S. 22:1892(A)(7), (B)(4), and (B)(5)(introductory paragraph) and
3	(b) and to enact R.S. 22:1892(A)(8) and 1892.3, relative to property and casualty
4	insurance; to provide for payments of claims for property damage; to provide for
5	payments of deductibles; to provide for insurers' payments for replacement costs of
6	insured property; to provide for sources used to determine retail costs; to provide
7	with respect to motor vehicle insurance; to provide for first-party insureds and
8	third-party claimants; to provide for settlement practices relative to claims for rental
9	vehicles; to provide for penalties; to provide for proof of loss statements with respect
10	to insurers' payments of claims; and to provide for related matters.
11	Be it enacted by the Legislature of Louisiana:
12	Section 1. R.S. 22:1892(A)(7), (B)(4), and (B)(5)(introductory paragraph) and (b)
13	are hereby amended and reenacted and R.S. 22:1892(A)(8) and 1892.3 are hereby enacted
14	to read as follows:
15	§1892. Payment and adjustment of claims; policies other than life and health and
16	accident; good faith duty; breach of good faith duty; vehicle damage claims;
17	extension of time to respond to claims during emergency or disaster;
18	penalties; arson-related claims suspension; definitions
19	A.
20	* * *

(7) Notwithstanding any provision of this Part to the contrary, an insurer that issues a property insurance policy with replacement cost coverage may refuse to pay a claim for withheld recoverable depreciation or a replacement cost holdback under the policy until the insurer receives reasonable proof of payment by the policyholder of any deductible applicable to the claim. Reasonable proof of payment includes a canceled check, money order receipt, credit card statement, or a copy of an executed installment plan contract or other financing arrangement that requires full payment of the deductible over time.

(8) The provisions of this Subsection do not apply to surety bonds.

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(4)(a) Whenever If a property damage claim is on a personal vehicle owned by the third-party third-party claimant and as a direct consequence of the inactions of the insurer and the third party in settling the third-party claimant's loss, the third party third-party claimant is deprived of use of the personal vehicle for more than five working business days, excluding Saturdays, Sundays, and holidays, the insurer responsible for payment of the claim shall pay, to the extent legally responsible, for reasonable expenses incurred by the third party third-party claimant in obtaining alternative transportation for the entire period of time during which the third party third-party claimant is without the use of his personal vehicle. Failure If the insurer fails to make such payment within thirty days after receipt of adequate written proof and demand therefor, when such and the failure is found to be arbitrary, capricious, or without probable cause, shall subject the insurer is subject to, in addition to the amount of such reasonable expenses incurred, a reasonable penalty not to exceed ten percent of such reasonable expenses or one two thousand five hundred dollars, whichever is greater, together with reasonable attorneys attorney fees for the collection of such expenses.

(b) In a first-party claim, if an insurer fails to provide an insured who is entitled to a rental vehicle under his policy with rental vehicle coverage within three business days of the insured's written request for such, and the insurer's failure is

found to be arbitrary, capricious, or without probable cause, the insurer is subject to, in addition to the amount of reasonable expenses incurred by the first-party insured, a reasonable penalty not to exceed fifty percent of such reasonable expenses or two thousand five hundred dollars, whichever is greater. Reasonable expenses shall only include rental expenses or expenses associated with loss of use of the insured vehicle during the time rental coverage was not approved. This Paragraph does not apply to an insurer conducting an investigation of coverage under a Reservation of Rights.

(5) When If an insurance policy provides for the adjustment and settlement of first-party motor vehicle total losses on the basis of actual cash value or replacement with another of like kind and quality, and the insurer elects a cash settlement based on the actual cost to purchase a comparable motor vehicle, such costs shall be derived by using one of the following:

* * *

(b) The retail cost as determined from a generally recognized used motor vehicle industry source generally recognized by the business industry including but not limited to insurers, bankers, and loan officers, such as; such as, an electronic database, if the valuation documents generated by the database are provided to the first-party claimant, or a guidebook that is available to the general public. If the insured demonstrates, by presenting two independent appraisals, based on measurable and discernable factors, including the vehicle's preloss condition, that the vehicle would have a higher cash value in the local market area than the value reflected in the source's database or the guidebook, the local market value shall be used in determining the actual cash value.

* * *

§1892.3. Payment of claims; property policies; proof of loss statements

A. An insurer issuing any type of insurance policy, other than those specified in R.S. 22:1811 and 1821, and Chapter 10 of Title 23 of the Louisiana Revised Statutes of 1950, may require the claimant to submit a proof of loss statement as a prerequisite to making payment on the claim.

B. The insurer may require a proof of loss statement on a form consistent with and limited to the form provided for in Subsection F of this Section; however, nothing in this Section shall be construed to limit an insurer from utilizing a different font, format, or trade dress than is used in this Section. Prior to requiring a proof of loss statement as a prerequisite to making payment on a claim, the insurer shall file its proof of loss statement with the commissioner and receive approval from the commissioner.

C. If an insurer requires submission of a proof of loss statement as a

C. If an insurer requires submission of a proof of loss statement as a prerequisite to making payment on a claim, the insurer shall provide the proof of loss statement form to the claimant within ten business days of receiving the claim. The insurer shall also maintain the proof of loss statement form on its website in a location easily accessible by claimants.

D. If an insurer requires submission of a proof of loss statement as a prerequisite to making payment on a claim, the insurer's receipt of a completed proof of loss statement from the claimant is the only means of constituting satisfactory proof of loss, as required by R.S. 22:1892 and 1892.2. Within ten business days of receipt of a proof of loss statement, the insurer shall notify the claimant whether the proof of loss statement was complete or incomplete.

E. The commissioner may promulgate and adopt rules and regulations in accordance with the Administrative Procedure Act for the implementation and enforcement of this Section.

F. The following form is a model proof of loss statement:

PROOF OF LOSS FORM			
INSURANCE COMPANY:			
POLICY NUMBER:	POLICY COVERAGE PERIOD: From: To:		
POLICYHOLDER NAME(S):	POLICY LIMITS:		
INSURED'S CURRENT CONTACT Phone Number:			
Email Address:			

Location	OF LOSS (physical add	dress):
TYPE OF PR	OPERTY (dwelling, oth	her structure, contents):
BRIEFLY ID windstorm e		OSS OCCURRED (fire, flood, hurricane, or other
LEGAL OWN (if any):	NER(S) OF THE PROPE	RTY ON THE DATE OF LOSS, INCLUDING MORTGAG
ESTIMATED DATE*	TOTAL COST OF REPA	AIR OR REPLACEMENT OF PROPERTY CALCULATED
ARE THERE	ANY OTHER INSURAN	NCE POLICIES THAT COVER THIS PROPERTY? Y or N
If yes, pleas limits, and	the amount of policy	of the insurance company, policy number, policy proceeds recovered to date for this loss (if any).
If yes, pleas limits, and the current to the coriginate due nor consente woid. I further linsurance Colaim, conce	the amount of policy per the information prove best of my knowled to any act, plan, or just to any action design certify that all materials and I have nealed or misrepresent.	vided in this Proof of Loss Form is true, correct, a dge and belief. The loss(es) identified herein did procurement on my part. Additionally, I have not gned to violate the conditions of my Policy or renerial facts known to date have been provided to not artificially inflated any part or portion of my leads to the conditions of my Policy or renerial facts known to date have been provided to the conditions of my Policy or renerial facts known to date have been provided to the conditions of my Policy or renerated the conditio
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If you have any questions or concerns regarding your claim or the claims process, please refer to the Louisiana Department of Insurance's Catastrophe Claims Process Disclosure Guide on the Louisiana Department of Insurance's website.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: