

2026 Regular Session

HOUSE BILL NO. 831

BY REPRESENTATIVE FIRMENT

INSURANCE/PROPERTY: Prohibits certain pricing practices in property damage claims

1 AN ACT

2 To enact R.S. 22:1930 and 1930.1, and R.S. 37:2160.1, relative to prohibited pricing
3 practices in property damage claims; to prohibit charging different prices for the
4 same product or service based solely on insurer payment in property damage claims;
5 to designate such practices as fraudulent insurance acts; to provide for exceptions,
6 including preferred vendor programs; to prohibit insurers from engaging in
7 inconsistent or selective application of pricing sources when relying on a primary
8 estimating tool or database in adjusting property damage claims; to designate such
9 practices, when committed with such frequency as to indicate a general business
10 practice, as unfair methods of competition and unfair or deceptive acts or practices
11 in the business of insurance; to provide for penalties; to provide for applicability to
12 licensed contractors; and to provide for related matters.

13 Be it enacted by the Legislature of Louisiana:

14 Section 1. R.S. 22:1930 and 1930.1 are hereby enacted to read as follows:

15 §1930. Prohibited pricing practices in property damage claims; offense

16 A. This Section applies only to claims for property damage under a policy
17 of property and casualty insurance, excluding automobile or health insurance claims.

18 B. A person commits an offense if:

1 (1) The person knowingly or intentionally charges two different prices for
2 providing a substantially similar scope of work under comparable conditions in
3 connection with a property damage claim, and

4 (2) The higher price charged is based primarily on the fact that an insurer
5 will pay all or part of the price of the product or service.

6 C. This Section does not apply to:

7 (1) Prices or rates established pursuant to a written contract or agreement
8 between the person providing the product or service and the insurer including but not
9 limited to preferred vendor programs, managed repair networks, or other negotiated
10 arrangements where the insurer and provider have agreed to specific pricing terms
11 in exchange for volume, quality assurances, or other considerations.

12 (2) Adjustments to prices based on verifiable differences in the scope of
13 work, materials, labor, or other factors not primarily related to insurer involvement.

14 D. An offense pursuant to this Section is a fraudulent insurance act pursuant
15 to R.S. 22:1923 and the violator shall be subject to the additional penalties,
16 enforcement, and reporting requirements provided in this Part, including referral to
17 the commissioner for administrative action, such as license suspension or revocation,
18 and civil penalties as authorized pursuant to R.S. 22:1924.

19 E. The commissioner may adopt rules pursuant to the Administrative
20 Procedure Act to implement the provisions of this Section, including guidelines for
21 distinguishing prohibited practices from legitimate negotiated arrangements.

22 F. Nothing in this Section shall be construed to create or imply a private
23 cause of action.

24 §1930.1. Inconsistent or selective pricing by insurers in property damage claims;
25 unfair methods of competition and unfair or deceptive acts or practices

26 A. This Section applies only to claims for property damage under a policy
27 of property and casualty insurance, excluding claims under automobile insurance
28 policies or health insurance policies.

1 B. Committing or performing with such frequency as to indicate a general
2 business practice any of the following shall be an unfair method of competition and
3 an unfair or deceptive act or practice in the business of insurance pursuant to R.S.
4 22:1964:

5 (1) Relying primarily on a pricing database, estimating software, or similar
6 tool for determining repair or replacement costs in adjusting a property damage
7 claim; and

8 (2) Materially and inconsistently deviating from the database or tool by
9 applying lower pricing from alternative sources, without consistent application or
10 without documented justification based on verifiable market data, such as
11 comparable local quotes or supplier pricing applicable to the claim location and
12 scope of work.

13 C. This Section shall not prohibit:

14 (1) Adjustments to claim estimates based on independent appraisals,
15 engineering reports, verifiable local market conditions, or other relevant evidence.

16 (2) Use of preferred vendor programs or negotiated rates as provided in R.S.
17 22:1930(C), provided such programs apply consistent pricing methodologies.

18 (3) Good faith negotiations with policyholders or their representatives to
19 resolve disputes over pricing or estimates.

20 D. Violations of this Section shall be subject to the enforcement provisions
21 of R.S. 22:1961 et seq., including but not limited to cease and desist orders,
22 monetary penalties, license suspension or revocation, and any other remedies
23 available for unfair or deceptive acts or practices in the business of insurance.

24 E. The commissioner may adopt rules pursuant to the Administrative
25 Procedure Act to implement this Section, including requirements for documentation
26 of pricing adjustments and standards for determining when practices occur with such
27 frequency as to indicate a general business practice.

28 F. Nothing in this Section shall be construed to create or imply a private
29 cause of action.

1 Section 2. R.S. 37:2160.1 is hereby enacted to read as follows:

2 §2160.1. Prohibited pricing practices in property damage claims; applicability to

3 contractors

4 A. In addition to the prohibited acts provided in this Chapter, a licensed

5 contractor or subcontractor shall not engage in any practice prohibited by R.S.

6 22:1930 in connection with a property damage claim.

7 B. A violation of this Section shall be grounds for disciplinary action by the

8 State Licensing Board for Contractors, including but not limited to fines, suspension,

9 or revocation of license, as provided in R.S. 37:2156.1 and 37:2159.

10 C. This Section shall not be construed to prohibit or hinder preferred vendor

11 arrangements, managed repair programs, or other contractual agreements between

12 contractors and insurers that comply with R.S. 22:1930(C).

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)]

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Abstract: Prohibits specified pricing practices pertaining to property damage claims. Designates the act of charging different prices for identical products or services based primarily on insurer involvement as a fraudulent insurance act. Forbids insurers from selectively applying pricing sources when utilizing a primary estimating tool. Outlines exceptions, establishes penalties, grants rulemaking authority, and stipulates applicability to licensed contractors.

Proposed law prohibits any individual from knowingly or intentionally charging two different prices for the same product or service in connection with a property damage claim, where the higher price is predicated on the fact that an insurer will cover all or part of the associated costs.

Proposed law outlines exceptions for pricing established under formal written agreements with insurers, including but not limited to, preferred vendor programs, as well as for adjustments that are based on verifiable differences in the scope of work, materials, labor, or other factors that are not exclusively related to insurer involvement. Violations of this provision are designated as fraudulent insurance acts, subject to penalties and enforcement under current law. Authorizes the commissioner of insurance to promulgate pertinent rules.

Proposed law prohibits insurers from selectively applying pricing sources when adjusting a property damage claim if they rely primarily on a pricing database or estimating tool. Requires consistent use of the primary tool unless deviations are supported by documented, verifiable market data. Provides exceptions for independent appraisals, engineering reports, local market conditions, preferred vendor programs that apply consistent pricing methodologies, and good faith negotiations. Classifies violations committed with such

frequency as to indicate a general business practice as unfair methods of competition and unfair or deceptive acts or practices subject to enforcement under present law. Authorizes the commissioner of insurance to adopt rules, including documentation standards.

Proposed law prohibits licensed contractors and subcontractors from engaging in any practice prohibited by proposed R.S. 22:1930 when performing work related to a property damage claim. Makes violations grounds for disciplinary action by the State Licensing Board for Contractors and clarifies that compliant preferred vendor or managed repair arrangements are not restricted.

Proposed law does not create or imply a private right of action.

(Adds R.S. 22:1930 and 1930.1, and R.S. 37:2160.1)