The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Beth O'Quin.

DIGEST

SB 163 Reengrossed   2022 Regular Session   Talbot

<u>Proposed law</u> requires the commissioner to promulgate certain rules and regulations relative to a catastrophe claim process disclosure form that includes but is not limited to the following:

(1)   Explains how the claim process works, and how the insurer should communicate with the insured, subject to the terms and conditions of the insurance policy.

(2)   Explains how the supplemental claim process works, and how the insurer should communicate with the insured, subject to the terms and conditions of the insurance policy.

(3)   Explains how to calculate the percentage of the insured value of the property for a hurricane, named storm, wind, and hail deductibles.

(4)   Explains the differences between the actual cash valuation and the replacement cost valuation.

(5)   The rights and protections a policyholder has under state law.

(6)   Explains the duties a policyholder has in order to settle an insurance claim.

(7)   Explains the procedure for a policyholder to properly document an insurance claim.

(8)   Explains how a policyholder can file a complaint with the department if the policyholder is not satisfied with either the claim process or the claim settlement.

(9)   Explains to the policyholder that if he has a mortgage loan and he filed an insurance claim on that property, the policyholder needs to immediately notify the lender or mortgage services that a claim was filed.

(10)   Explains to the policyholder that if he has a mortgage loan and he received an insurance settlement check that the policyholder needs to contact his lender or mortgage servicer as the lender or mortgage servicer may need to endorse the check in order for the policyholder to receive the funds.

(11)   Provides a process for filing a complaint with the Office of Financial Institutions if there is any dissatisfaction with how the lender or mortgage servicer handled the disbursements of the insurance proceeds.

(12)   Provides a process for utilizing the Hurricane Mediation Program when there is a disputed

residential property insurance claim for damaged property.

Proposed law provides that if the governor declares a state of emergency, requires insurers settling a property insurance claim that arises out of a state of emergency to send the policyholder who files a property insurance claim, the catastrophe claim process disclosure form.

Proposed law requires an insurer send the disclosure form to the policyholder no later than the initial investigation of the claim by an adjuster, and the disclosure form can be sent by US mail, electronic delivery, or hand delivery.

Proposed law provides that nothing in this law can be construed to provide any policyholder with a civil cause of action.

Effective on January 1, 2023.

(Add R.S. 22:1897)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original bill

1. Add an explanation letting the policyholder know that if he has a mortgage loan, and the policyholder files an insurance claim for damages that the policyholder needs to immediately notify the lender or mortgage servicer that he filed a claim.

2. Add an explanation letting the policyholder know that if the policy owner receives an insurance settlement check and the policyholder has a mortgage loan that he may need to contact the lender or mortgage servicer because the lender or mortgage servicer will need to endorse the check in order to receive funds.

3. Add a process for the policyholder to file a complaint with the Office of Financial Institutions if there is any dissatisfaction with how the lender or mortgage servicer handled the disbursement of fund.

Senate Floor Amendments to engrossed bill

1. Adds an explanation on how the insurer should communicate with the insured.

2. Adds an explanation on how the insurer should communicate with the insured.

3. Makes a technical change.

4. Adds the process on how an insured can utilize the Hurricane Mediation Program when there is a disputed residential property insurance claim for property damage.