

ACT No. 625

2024 Regular Session

HOUSE BILL NO. 609

BY REPRESENTATIVE FIRMENT

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AN ACT

To amend and reenact R.S. 22:821(B)(34)(introductory paragraph),1311(F)(2), Part XI of Chapter 5 of Title 22 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 22:1807.1 through 1807.27, and 1892(G), relative to the insurance claim appraisal process; to authorize the commissioner of insurance to collect fees for appraisers and umpires; to modify relative to appraisal clauses within residential property and fire insurance policies; to provide for registration policies and procedures for appraisers and umpires; to provide for penalties; to authorize the commissioner of insurance to impose a penalty upon or sanction violators; to provide for definitions; to provide for an appraisal process; to provide for a selection process for appraisers or umpires; to provide for qualifications for appraisers and umpires; to prohibit conflicts of interest; to provide for job descriptions, responsibilities, and obligations; to prohibit certain communication; to provide for costs; to provide for the payment of appraisal rewards; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:821(B)(34)(introductory paragraph),1311(F)(2), Part XI of Chapter 5 of Title 22 of the Louisiana Revised Statutes of 1950, comprised of R.S. 22:1807.1 through 1807.27, and 1892(G) are hereby amended and reenacted to read as follows:

1 §821. Fees

2 * * *

3 B. The commissioner shall collect the following fees in advance:

4 * * *

5 (34) For appraisers and umpires (one fee for either or both):

6 First time applicant. \$55.00

7 Renewal fee (every twelve months)... . . \$50.00

8 * * *

9 §1311. Fire insurance contract; standard provisions; variations

10 * * *

11 F. The form of the standard fire insurance policy of the state of Louisiana
 12 (with permission to substitute for the word "company" a more accurate descriptive
 13 term for the type of insurer) shall be as follows:

14 * * *

15 (2) SECOND PAGE OF STANDARD FIRE POLICY

16 Concealment, fraud-This entire policy shall be void if, whether before or after
 17 a loss, the insured has willfully concealed or misrepresented any material fact or
 18 circumstance concerning this insurance or the subject thereof, or the interest of the
 19 insured therein, or in case of any fraud or false swearing by the insured relating
 20 thereto.

21 Uninsurable and excepted property-This policy shall not cover accounts,
 22 bills, currency, deeds, evidence of debt, money, or securities; nor, unless specifically
 23 named hereon in writing, bullion, or manuscripts.

24 Perils not included-This company shall not be liable for loss by fire or other
 25 perils insured against in this policy caused, directly or indirectly, by:

- 26 (a) enemy attack by armed forces, including action taken by military, naval,
 27 or air forces in resisting an actual or an immediately impending enemy attack; (b)
 28 invasion; (c) insurrection; (d) rebellion; (e) revolution; (f) civil war; (g) usurped
 29 power; (h) order of any civil authority except acts of destruction at the time of and
 30 for the purpose of preventing the spread of fire, provided that such fire did not

1 originate from any of the perils excluded by this policy; (i) neglect of the insured to
 2 use all reasonable means to save and preserve the property at and after a loss, or
 3 when the property is endangered by fire in neighboring premises; (j) nor shall this
 4 Company be liable for loss by theft.

5 Other insurance-Other insurance may be prohibited or the amount of
 6 insurance may be limited by endorsement attached hereto.

7 Conditions suspending or restricting insurance-Unless otherwise provided in
 8 writing added hereto, this Company shall not be liable for loss occurring:

9 (a) While the hazard is increased by any means within the control or
 10 knowledge of the insured; or

11 (b) While a described building, whether intended for occupancy by owner
 12 or tenant, is vacant, or unoccupied beyond a period of sixty consecutive days; or

13 (c) As a result of explosion or riot, unless fire ensues, and in that event for
 14 loss by fire only.

15 Other perils or subjects-Any other peril to be insured against or subject of
 16 insurance to be covered in this policy shall be by endorsement in writing hereon or
 17 added hereto.

18 Added provisions-The extent of the application of insurance under this policy
 19 and of the contribution to be made by this Company in case of loss, and any other
 20 provision or agreement not inconsistent with the provisions of this policy, may be
 21 provided for in writing added hereto, but no provisions may be waived except such
 22 as by the terms of this policy is subject to change.

23 Waiver provisions-No permission affecting this insurance shall exist, or
 24 waiver of any provision be valid unless granted herein or expressed in writing added
 25 hereto. No provision, stipulation, or forfeiture shall be held to be waived by any
 26 requirement or proceeding on the part of this Company relating to appraisal or to any
 27 examination provided for herein.

28 Cancellation of policy-This policy shall be canceled at any time at the request
 29 of the insured, in which case this Company shall, upon demand and surrender of this
 30 policy, refund the excess of paid premium above the customary short rates for the

1 expired time. This policy may be canceled at any time by this Company by giving
2 to the insured a thirty-day written notice of cancellation, or ten-day written notice
3 when cancellation is for nonpayment of premium, with or without tender of the
4 excess paid premium above the pro rata premium for the expired time which excess,
5 if not tendered, shall be refunded on demand. Notice of cancellation shall state that
6 said excess premium, if not tendered, will be refunded on demand. Upon the written
7 request of the named insured, the insurer shall provide to the insured in writing the
8 reasons for cancellation of the policy. There shall be no liability on the part of and
9 no cause of action of any nature shall arise against any insurer or its agents,
10 employees, or representatives for any action taken by them to provide the reasons for
11 cancellation as required by this Paragraph.

12 Mortgagee interest and obligations-If loss hereunder is made payable in
13 whole or in part, to a designated mortgagee not named herein as the insured, such
14 interest in this policy may be canceled by delivering or mailing to such mortgagee
15 a thirty-day written notice of cancellation, or a ten-day written notice of cancellation
16 if cancellation is for nonpayment of premium.

17 If the insured fails to render proof of loss such mortgagee, upon notice, shall
18 render proof of loss in form herein specified within sixty (60) days thereafter and
19 shall be subject to the provisions hereof relating to appraisal and time of payment
20 and of bringing suit. If this Company shall claim that no liability existed as to the
21 mortgagor or owner, it shall, to the extent of payment of loss to the mortgagee, be
22 subrogated to all the mortgagee's rights of recovery, but without impairing
23 mortgagee's rights to sue; or it may pay off the mortgage debt and require an
24 assignment thereof and of the mortgage. Other provisions relating to the interests
25 and obligations of such mortgagee may be added hereto by agreement in writing.

26 Pro rata liability-This Company shall not be liable for a greater proportion
27 of any loss than the amount hereby insured shall bear to the whole insurance
28 covering the property against the peril involved, whether collectible or not.

29 Requirements in case loss occurs-The insured shall give immediate written
30 notice to this Company of any loss, protect the property from further damage,

1 forthwith separate the damaged and undamaged personal property, put it in the best
2 possible order, furnish a complete inventory of the destroyed, damaged, and
3 undamaged property, showing in detail quantities, costs, actual cash value, and
4 amount of loss claimed; and within sixty days after loss, unless such time is extended
5 in writing by this Company, the insured shall render to this Company a proof of loss,
6 signed and sworn to by the insured, stating the knowledge and belief of the insured
7 as to the following: the time and origin of the loss, the interest of the insured and of
8 all others in the property, the actual cash value of each item thereof and the amount
9 of loss thereto, all encumbrances thereon, all other contracts of insurance, whether
10 valid or not, covering any of said property, any changes in the title, use, occupation,
11 location, possession, or exposures of said property since the issuing of this policy,
12 by whom and for what purpose any building herein described and the several parts
13 thereof were occupied at the time of loss and whether or not it then stood on leased
14 ground, and shall furnish a copy of all the descriptions and schedules in all policies
15 and, if required, verified plans and specifications of any building, fixtures, or
16 machinery destroyed or damaged. The insured, as often as may be reasonably
17 required shall exhibit to any person designated by this Company all that remains of
18 any property herein described, and submit to examinations under oath by any person
19 named by this Company, and subscribe the same; and, as often as may be reasonably
20 required, shall produce for examination all books of account, bills, invoices and other
21 vouchers, or certified copies thereof if originals be lost, at such reasonable time and
22 place as may be designated by this Company or its representatives, and shall permit
23 extracts and copies thereof to be made.

24 Appraisal-In case the insured and this Company shall fail to agree as to the
25 actual cash value or the amount of loss, then, on the written demand of either, each
26 shall select a competent and disinterested appraiser and notify the other of the
27 appraiser selected within twenty days of such demand. The appraisers shall first
28 select a competent and disinterested umpire; and failing for fifteen days to agree
29 upon such umpire, then on request of the insured or this Company such umpire shall
30 be selected by a judge of a court of record in the state in which the property covered
31 is located, in the manner provided by law. The appraisers shall then appraise the

1 loss, stating separately actual cash value and loss to each item, and failing to agree,
2 shall submit their differences, only, to the umpire. An award in writing, so itemized,
3 of any two when filed with this Company shall determine the amount of actual cash
4 value and loss. Each appraiser shall be paid by the party selecting him and the
5 expenses of appraisal and umpire shall be paid by the parties equally.

6 Company's options-It shall be optional with this Company to take all, or any
7 part, of the property at the agreed or appraised value, and also to repair, rebuild, or
8 replace the property destroyed or damaged with other of like kind and quality within
9 a reasonable time, on giving notice of its intention to do so within thirty days after
10 the receipt of the proof of loss herein required.

11 Abandonment-There can be no abandonment to this Company of any
12 property.

13 When loss payable-The amount of loss for which this Company may be liable
14 shall be payable thirty days after proof of loss, as herein provided, is received by this
15 Company and ascertainment of the loss is made either by agreement between the
16 insured and this Company expressed in writing or by filing with this Company of an
17 award as herein provided.

18 Suit-No suit or action on this policy for the recovery of any first-party claim
19 shall be sustainable in any court of law or equity unless all the requirements of this
20 policy shall have been complied with, and unless commenced within twenty-four
21 months next after the inception of the loss.

22 Subrogation-This Company may require from the insured an assignment of
23 all right of recovery against any party for loss to the extent that payment therefor is
24 made by this Company.

25 * * *

26 PART XI. ~~REGISTRATION OF APPRAISERS FOR FIRE~~

27 AND EXTENDED COVERAGE

28 SUBPART A. REGISTRATION

29 §1807.1. Registration required

30 A. ~~No person shall~~ A person shall not act as, or hold himself out to be, an
31 appraiser in accordance with the provisions of ~~R.S. 22:1311(F)(2)~~ R.S. 22:1311,

1 1892, or any policy of property insurance covering immovables unless such person
 2 is registered with the commissioner ~~of insurance~~ as an appraiser, an umpire, or both.

3 B. Each person shall register with the commissioner on a form ~~to be~~
 4 prescribed by the commissioner and shall pay the fee required by R.S.
 5 22:821(B)(34).

6 C. Each registration submitted pursuant to this ~~Part shall expire~~ Subpart
 7 expires each year on the anniversary date and may be renewed by filing a request for
 8 renewal on a form ~~to be~~ prescribed by the commissioner and by paying the renewal
 9 fee required by R.S. 22:821(B)(34).

10 §1807.2. Rules and regulations

11 The commissioner ~~of insurance is hereby authorized to~~ may adopt such
 12 regulations, in accordance with the Administrative Procedure Act, ~~as are necessary~~
 13 to effectuate the requirements of this Part ~~to regulate registration of appraisers for~~
 14 ~~fire and extended coverage.~~

15 §1807.3. Enforcement

16 A. The commissioner ~~is hereby authorized to~~ may take ~~whichever~~ any
 17 actions ~~are~~ necessary or appropriate to enforce the provisions of this Part and the
 18 commissioner's regulations. The commissioner may order a person to cease and
 19 desist from committing violations of this Part or the commissioner's regulations, ~~or~~
 20 ~~may~~ issue an order prohibiting a person from acting as an appraiser or umpire, and
 21 ~~may~~ rescind the registration of any person, ~~if the person has violated~~ who violates
 22 this Part or the commissioner's regulations or orders.

23 B. A person aggrieved by a decision, act, or order of the commissioner
 24 pursuant to the provisions of this Part may demand a hearing in accordance with
 25 Chapter 12 of this Title, R.S. 22:2191 et seq.

26 SUBPART B. APPRAISAL PROCESS

27 §1807.11. Definitions

28 The following definitions apply to this Subpart:

29 (1) "Appraiser" means a person who is qualified to be an appraiser pursuant
 30 to the provisions of R.S. 22:1807.14 and selected by an insurer or a claimant to
 31 participate in the appraisal process.

1 (2) "Claimant" means a person who makes a first-party claim under a policy
2 of property insurance.

3 (3) "Good cause" means any of the following:

4 (a) Any conflict of interest provided for in R.S. 22:1807.14 or 1807.17.

5 (b) A lack of independence or inability to competently or promptly carry out
6 the duties required by this Part.

7 (c) Any other reasons that would reasonably be expected to impair an
8 appraisal.

9 (4) "Immediate family" as the term relates to an appraiser or umpire means
10 his spouse, the parents of his spouse, his parents, his children and their spouses, and
11 his siblings and their spouses.

12 (5) "Party" means an insurer or a claimant. "Party" includes employees,
13 contractors, and other representatives of a party.

14 (6) "Umpire" means a person who is qualified to be an appraisal umpire
15 pursuant to the provisions of R.S. 22:1807.17 and selected by the appraisers or a
16 judge to participate in the appraisal process.

17 (7) "Umpire selection panel" means a list of potential umpires prepared by
18 the commissioner for selection of an umpire pursuant to R.S. 22:1807.19.

19 §1807.12. Applicability

20 A. The provisions of this Subpart provide for the appraisal process if all of
21 the following apply:

22 (1) An insurer has accepted coverage for a claim, in full or in part.

23 (2) The claimant and insurer have a dispute as to the amount of loss the
24 insurer will pay for the accepted portion of the claim under the policy.

25 (3) The policy is issued, issued for delivery, or renewed in this state.

26 (4) The property that is the subject of the claim is located in this state or the
27 dispute is subject to jurisdiction in this state.

28 (5) The claimant or insurer demands an appraisal pursuant to the policy.

29 B. Nothing in this Part shall be construed to authorize the commissioner to
30 regulate the practice of law.

1 C. An umpire appointed by a court pursuant to this Subpart is subject to the
 2 supervision of the appointing court for the performance of his duties.

3 §1807.13. Appraisal process

4 A. Upon a demand for appraisal, the insurer and the claimant shall each
 5 select an appraiser who is independent and qualified pursuant to R.S. 22:1807.14.

6 B.(1) If the appraisers are unable to agree on the amount of loss, they shall
 7 select an umpire who is independent and qualified pursuant to R.S. 22:1807.17.

8 (2) If the appraisers are unable to agree on an umpire, either appraiser may
 9 submit a request to the judge to select an umpire, which shall include all of the
 10 following:

11 (a) The type of policy.

12 (b) A description of the claim and, if known, the claimed value of the loss.

13 (c) The insurer's itemized estimate and a statement of payments made to
 14 date.

15 (d) Any other information that the judge requests.

16 C. The selected umpire shall participate in the resolution of the dispute if the
 17 appraisers fail to reach agreement and instruct the umpire in writing to begin work,
 18 or if the period for the appraisers to complete their work provided under applicable
 19 law has expired, then either appraiser may instruct the umpire to begin work.

20 D. An itemized decision agreed to by both appraisers or by one appraiser and
 21 the umpire shall set the amount of loss the insurer will pay for the claim subject to
 22 applicable policy terms, limits, deductibles, and conditions. The umpire may enter
 23 into an itemized decision with either or both appraisers on a compromise basis. The
 24 umpire may issue an itemized decision if there is agreement on the amount of the
 25 loss, even if there is disagreement as to some of the individual items.

26 §1807.14. Appraiser qualifications; conflicts of interest

27 A. To qualify as an appraiser, a person shall meet all of the following
 28 criteria:

29 (1) Have at least three years of experience in the profession in which he is
 30 licensed.

1 (2) Have experience or training in estimating property damage.

2 (3) Be any one of the following with an active license:

3 (a) A professional engineer licensed pursuant to R.S. 37:681 et seq. or the
4 laws of another state.

5 (b) An architect licensed pursuant to R.S. 37:141 et seq.

6 (c) An adjuster licensed pursuant to R.S. 22:1661 et seq.

7 (d) A public adjuster licensed pursuant to R.S. 22:1691 et seq.

8 (e) A general contractor licensed pursuant to R.S. 37:2150 et seq.

9 B. A potential conflict of interest exists if any of the following apply to an
10 appraiser:

11 (1) The appraiser is a party to a lawsuit against the insurer.

12 (2) The appraiser has any other direct or indirect interest, financial or
13 otherwise, of any nature that substantially conflicts with the appraiser's duties.

14 C. A disqualifying conflict of interest for an appraiser exists if any of the
15 following apply:

16 (1) The appraiser or a member of his immediate family is any of the
17 following:

18 (a) A party to the claim.

19 (b) A current employee or contractor of a party.

20 (c) A current employee of the adjuster or public adjuster, including business
21 entity licensees, who adjusted the loss.

22 (2) The appraiser is a party to a lawsuit against the insurer that is a party to
23 the appraisal.

24 §1807.15. Appraiser registration; revocation

25 A. An appraiser shall meet the qualifications in R.S. 22:1807.14 and register
26 by filing with the commissioner all of the following information:

27 (1) Contact information.

28 (2) Training and experience in the profession in which he is licensed.

29 (3) Training and experience related to estimating property damage claims.

1 (4) Whether the professional experience and training are in residential or
2 commercial property.

3 (5) Any relevant licenses or certifications.

4 (6) A general description of the approximate number, types of policies, and
5 value and complexity of property damage claims on which the applicant worked over
6 the previous five years.

7 (7) The parishes in which the appraiser is willing to work.

8 (8) The types of policies and value and complexity of claims on which the
9 appraiser is willing to work.

10 (9) Any professional disciplinary actions or criminal convictions he has had.

11 (10) A current biography, resume, or curriculum vitae.

12 B. The commissioner shall publish a list of appraisers registered pursuant to
13 this Part on the department's website. Published information shall include an
14 appraiser's name, contact information, preferred types of claims, and preferred
15 geographic areas.

16 C. The commissioner may revoke the registration of an appraiser for any of
17 the following reasons:

18 (1) Dishonest, incompetent, fraudulent, or unethical behavior.

19 (2) A disciplinary action by any other agency or disciplinary authority
20 against the appraiser, regardless of whether the agency or disciplinary authority's
21 regulation relates to the appraisal.

22 (3) Conviction of, or accepting deferred adjudication for, a crime pursuant
23 to state or federal law.

24 (4) Failure to comply with any requirement of this Subpart.

25 (5) Other factors relevant to the appraiser's qualifications, conflicts of
26 interest, or performance.

27 §1807.16. Appraiser obligations

28 A. An appraiser shall disclose to the parties any potential conflicts of
29 interest, provided for in R.S. 22:1807.14, no later than five days after hiring by a
30 party and before beginning work on an appraisal.

1 B. After accepting responsibility for an appraisal, the appraiser shall not
 2 withdraw or abandon the appraisal unless compelled to do so by unforeseen
 3 circumstances that would render it impossible or impracticable to continue.

4 C. An appraiser shall postpone an appraisal for a reasonable amount of time
 5 if a party shows reasonable cause for a postponement.

6 D. An appraiser has a duty to do all of the following:

7 (1) Consider all information provided by the parties and any other reasonably
 8 available evidence material to the claim.

9 (2) Carefully decide all issues submitted for determination regarding the
 10 amount of loss.

11 (3) Give the parties and the other appraiser an itemized written appraisal.

12 (4) Conduct the appraisal process to advance the fair and efficient resolution
 13 of the matters submitted for decision.

14 E. An appraiser shall not do any of the following:

15 (1) Permit outside pressure to affect an appraisal.

16 (2) Delegate the duty to decide to any other person.

17 (3) Communicate with an umpire without including the other party or the
 18 other party's appraiser, except as permitted in R.S. 22:1807.22.

19 (4) Charge the parties on a contingent fee basis, percentage of the decision,
 20 barter arrangement, gift, favor, or in-kind exchange.

21 (5) Charge a fee for services if the appraiser withdraws or abandons the
 22 appraisal.

23 §1807.17. Umpire qualifications; conflicts of interest

24 A. To qualify as an umpire, a person shall meet all of the following
 25 requirements:

26 (1) Be either of the following:

27 (a) An appraiser qualified pursuant to R.S. 22:1807.14.

28 (b) An attorney licensed in this state with experience in first-party property
 29 damage litigation.

1 (2) Have no disqualifying conflicts of interest listed in Subsection B of this
 2 Section, unless, after full disclosure, the parties agree in writing to waive an
 3 otherwise disqualifying conflict of interest.

4 B. A disqualifying conflict of interest for an umpire exists if any of the
 5 following apply:

6 (1) The umpire or a member of his immediate family is any of the following:

7 (a) A party to the claim.

8 (b) A current employee or contractor of a party.

9 (c) A current employee of the adjuster or public adjuster, including business
 10 entity licensees, who adjusted the loss.

11 (2) The umpire currently has an open claim or acts as a representative or
 12 public adjuster on an open claim with the insurer that is a party to the appraisal.

13 (3) The umpire is a party or a member or employee of a law firm that
 14 represents a party to a current lawsuit with the insurer that is a party to the appraisal.

15 (4) The umpire has any other direct or indirect interest, financial or
 16 otherwise, of any nature that substantially conflicts with the umpire's duties.

17 §1807.18. Umpire registration; revocation

18 A. An umpire shall meet the qualifications in R.S. 22:1807.17 and any
 19 potential umpire electing to be included in the commissioner's umpire list pursuant
 20 to Subsection B of this Section shall register by filing with the commissioner all of
 21 the following information:

22 (1) Contact information.

23 (2) Training and experience in the profession in which he is licensed.

24 (3) Training and experience related to estimating property damage claims.

25 (4) Whether the professional experience and training are in residential or
 26 commercial property.

27 (5) Any relevant licenses or certifications.

28 (6) A general description of the approximate number, type of policies, and
 29 value and complexity of property damage claims on which the applicant worked over
 30 the previous five years.

1 (7) The parishes in which the umpire is willing to work.

2 (8) The types of policies and value and complexity of claims on which the
3 umpire is willing to work.

4 (9) Any professional disciplinary actions or criminal convictions he has had.

5 (10) A current biography, resume, or curriculum vitae.

6 B. The commissioner shall publish a list of umpires registered pursuant to
7 this Part on the department's website. Published information shall include an
8 umpire's name, contact information, preferred types of claims, and preferred
9 geographic areas.

10 C. The commissioner may revoke the registration of an umpire for any of the
11 following reasons:

12 (1) Dishonest, incompetent, fraudulent, or unethical behavior.

13 (2) A disciplinary action by any other agency or disciplinary authority
14 against the umpire, regardless of whether the agency or disciplinary authority's
15 regulation relates to the appraisal.

16 (3) Conviction of, or accepting deferred adjudication for, a crime pursuant
17 to state or federal law.

18 (4) Failure to comply with any requirement of this Subpart.

19 (5) Other factors relevant to the umpire's qualifications, conflicts of interest,
20 or performance.

21 §1807.19. Umpire selection

22 A.(1) The provisions of this Section apply if the appraisers are unable to
23 agree on an umpire and a party requests a judge to select an umpire.

24 (2) A judge selecting an umpire shall select an umpire qualified pursuant to
25 R.S. 22:1807.17.

26 B. The provisions of Subsections C through H of this Section shall apply
27 when the appraisers agree to request the commissioner to submit an umpire selection
28 panel.

1 C. In creating an umpire selection panel, the commissioner may consider the
2 following:

3 (1) The umpire's preferred geographic locations and preferred types of
4 claims.

5 (2) The proximity of the claimant's property and the umpire.

6 (3) The umpire's areas of training and expertise.

7 (4) The extent of the umpire's experience with appraisal and property
8 damage claims.

9 (5) The subject of the dispute.

10 (6) The type of policy.

11 (7) The value and complexity of the claim.

12 (8) Any conflicts of interest.

13 (9) Other factors relevant to the dispute.

14 D.(1) Using a random selection method, the commissioner shall notify at
15 least five umpires of possible inclusion on an umpire selection panel.

16 (2) Each umpire notified shall respond to the commissioner no later than five
17 days after receiving the notice, stating whether the umpire will accept or reject
18 selection as umpire for an appraisal.

19 (3) Each umpire accepting selection shall respond by providing all of the
20 following information:

21 (a) A current resume, curriculum vitae, or brief biographical sketch of the
22 umpire.

23 (b) A statement as to whether the umpire is insured by the insurer.

24 (c) Any prior knowledge the umpire has regarding the dispute.

25 (d) Any disqualifying conflict of interest provided for in R.S. 22:1807.17.

26 E. The commissioner shall do both of the following:

27 (1) Create the umpire selection panel.

28 (2) Send the information provided pursuant to this Section and the umpire
29 selection panel list to the parties and appraisers.

1 F. If the appraisers select an umpire from the umpire selection panel, the
2 appraisers shall inform the commissioner no later than three days after the
3 agreement.

4 G. If the appraisers do not agree to an umpire from the umpire selection
5 panel, each appraiser may object pursuant to R.S. 22:1807.26, and the appraisers
6 may agree, in writing, to the commissioner selecting an umpire from the umpire
7 selection panel using a random selection method. If the appraisers do not both agree
8 in writing to that selection, then a judge shall make the appointment pursuant to
9 applicable law.

10 H. If the appraisers elect to use the random selection method, the
11 commissioner shall notify the umpire selected pursuant to Subsection G of this
12 Section and give the umpire the claim information provided for in R.S. 22:1807.13.
13 §1807.20. Umpire obligations

14 A.(1) The umpire shall disclose any disqualifying conflicts of interest
15 provided for in R.S. 22:1807.17 to both parties within five days after hiring by a
16 party and before beginning any work.

17 (2) The umpire shall recuse himself from an appraisal for which there exists
18 a disqualifying conflict of interest unless the parties agree in writing to waive any
19 conflict of interest.

20 B. The umpire shall not do either of the following:

21 (1) Begin work until the appraisers direct the umpire in writing to begin,
22 upon their failure to reach an agreement.

23 (2) Visit the claimant's property without consent from both appraisers.

24 C. The umpire shall do all of the following:

25 (1) Address only items about which the appraisers disagree.

26 (2) Review the differences and seek agreement with either or both of the
27 appraisers regarding the disputed items.

28 (3) Allow each appraiser a fair opportunity to present evidence and
29 arguments.

1 (4) Review all information submitted by the appraisers and parties, which
 2 is related to the dispute, including the itemized appraisals or estimates, supporting
 3 documents, photographs, and diagrams.

4 (5) Prepare an itemized written decision and promptly provide it to the
 5 parties and the appraisers.

6 D. The umpire may do any of the following:

7 (1) Ask questions and request documents or other evidence, including expert
 8 reports.

9 (2) Consider any conflicts of interest or objections to appraisers upon request
 10 of a party.

11 (3) Accept either appraiser's scope, quantity, value, or cost regarding an item
 12 in dispute or develop an independent decision on an item in dispute.

13 E. Upon accepting an appointment to be the umpire for an appraisal, the
 14 umpire shall adhere to the following duties:

15 (1) The umpire shall decide all matters fairly, exercising independent
 16 judgment and integrity.

17 (2) The umpire shall not do any of the following:

18 (a) Withdraw or abandon the appraisal, unless compelled by unforeseen
 19 circumstances that would render it impossible or impracticable to continue.

20 (b) Be present for or participate in settlement discussions, unless requested
 21 by both parties.

22 (c) Permit outside influence to affect the appraisal.

23 (d) Delegate the umpire's decision to any other person.

24 F.(1) The umpire shall disclose all fees. The umpire may specify different
 25 charges for types or values of claims. The provisions of this Paragraph do not apply
 26 to umpires selected pursuant to R.S. 22:1807.19.

27 (2) The umpire shall not charge the parties on a contingent fee basis,
 28 percentage of the decision, barter arrangement, gift, favor, or in-kind exchange.

1 §1807.21. Additional obligations for commissioner-selected umpires

2 All of the following obligations apply to an umpire selected by the
 3 commissioner:

4 (1) No later than seven days after receiving notice of selection for an
 5 appraisal, the umpire shall send a written notice to the parties and the appraisers,
 6 containing the following:

7 (a) The identity of the umpire.

8 (b) Whether the umpire is insured by the insurer.

9 (c) A statement informing each party of his respective right to object to the
 10 umpire and the method through which the parties may object pursuant to R.S.
 11 22:1807.26.

12 (2) Before the umpire begins work, the parties shall present the umpire with
 13 an appraisal contract that requires the parties and the umpire to comply with the
 14 provisions of this Subpart and provides that each party shall pay the appraisal costs
 15 provided for in R.S. 22:1807.23.

16 (3) The umpire shall notify the commissioner upon completion of the
 17 appraisal process and upon reaching an appraisal decision.

18 (4) The umpire shall charge an hourly rate set by the commissioner and may
 19 charge a minimum two-hour fee.

20 (5) The umpire may charge for reasonably incurred travel costs, including
 21 mileage, meals, and lodging. If the umpire charges for reasonably incurred travel
 22 costs, he shall provide an estimate of the travel costs as an addendum to the contract
 23 provided for in Paragraph (2) of this Section.

24 §1807.22. Prohibited communications

25 A. All of the following provisions apply after an umpire's selection and
 26 before the appraisal process ends:

27 (1) The umpire shall not communicate separately with either party or either
 28 party's appraiser regarding the pending appraisal unless the umpire notifies the other
 29 party and gives the other party the opportunity to participate.

1 (2) The parties and respective appraisers shall not communicate with the
2 umpire regarding the appraisal without including the other party or appraiser, except
3 that:

4 (a) An appraiser may identify the parties' counsel or experts.

5 (b) An appraiser may discuss logistical matters, such as setting the time and
6 place of meetings or making other arrangements for the conduct of the proceedings.

7 The appraiser initiating this contact with the umpire shall promptly inform the other
8 appraiser.

9 (c) If an appraiser fails to attend a meeting or conference call after receiving
10 notice, or if both parties agree in writing, the opposing appraiser may discuss the
11 claim with the umpire who is present.

12 B. After receiving notice of a possible inclusion on an umpire selection
13 panel, the umpire shall not at any time communicate information about the appraisal
14 with any individual besides the parties' designated representatives, the insurer, the
15 appraisers, and the commissioner. However, the umpire may communicate
16 information about the appraisal with the written consent of both parties.

17 §1807.23. Costs

18 A. Each party is responsible for and shall pay the following:

19 (1) His own appraiser fees and expenses.

20 (2) Half of the reasonable and necessary costs incurred for an umpire's fee
21 and expenses.

22 (3) Half of any reasonable and necessary costs incurred to conduct the
23 appraisal.

24 B. If the parties settle before the umpire begins work, the umpire shall not
25 charge a fee.

26 C. The parties shall not pay an appraiser or umpire on a contingent fee basis,
27 percentage of the decision, barter arrangement, gift, favor, or in-kind exchange.

28 D. The commissioner is not responsible for any appraisal fees, expenses, or
29 costs.

1 §1807.24. Extensions of deadlines

2 A. The commissioner may extend any deadline provided in this Subpart for
3 reasonable cause, except the deadline for the umpire to notify the parties that the
4 umpire is insured by the insurer.

5 B. To request the commissioner to extend a deadline, a party, appraiser, or
6 umpire shall, pursuant to the provisions of R.S. 22:1807.25, send the request in
7 writing to the commissioner explaining the reasonable cause for the extension.
8 Reasonable cause includes military deployment of the claimant.

9 C. The commissioner shall not approve deadline extensions that exceed an
10 aggregate of one hundred twenty days. This limit does not apply to extensions of the
11 deadline to file an objection because of an umpire being insured by the insurer.

12 D. If a suit has been filed, extension of deadlines related to a particular case
13 shall only be made by the court of record in which the property is located.

14 E. Notwithstanding any provision of this Section, appraisers may jointly
15 agree to extend deadlines.

16 §1807.25. Requests and submissions to the commissioner

17 A. A party, appraiser, or umpire submitting notices, requests, or other items
18 to the commissioner pursuant to this Subpart shall hand deliver, mail, or send in a
19 manner that is otherwise acceptable to the commissioner.

20 B. For the purposes of the deadlines imposed by this Subpart, the date
21 applicable to an item is the date the commissioner receives the item.

22 C. If a party submits a request to the commissioner pursuant to this Section,
23 the party shall provide a copy of the request to the other party on the same day and
24 in the same manner.

25 §1807.26. Objections

26 A.(1) A party or appraiser may object to an umpire for good cause no later
27 than ten days after the party or appraiser receives the selection panel.

28 (2) A party or appraiser may object to an umpire for good cause, no later
29 than thirty days after the appraisal is complete, based on information not provided
30 with the selection panel and discovered after the selection of the umpire.

1 (3) A party or appraiser may object to an umpire because the umpire is
2 insured by the insurer no later than the earlier of either of the following:

3 (a) Seven days after receiving the umpire selection panel and the information
4 provided therewith.

5 (b) Seven days before the umpire begins work.

6 B. Parties and appraisers shall send all objections to the commissioner
7 pursuant to the provisions of R.S. 22:1807.25, or to the judge if a lawsuit has been
8 filed, and include all of the following information:

9 (1) The names of the parties involved in the dispute.

10 (2) The name of the person submitting the objection.

11 (3) The insurer's claim number.

12 (4) The name of the umpire that the party or appraiser objects to.

13 (5) An explanation of the good cause for objecting to the umpire.

14 (6) An explanation of any direct financial or personal interest that the umpire
15 has in the outcome of the dispute.

16 C. If the judge determines that good cause exists to replace an umpire who
17 was selected for a dispute, the judge shall select a replacement umpire.

18 §1807.27. Payment of an appraisal award

19 A. If an appraisal award made pursuant to the provisions of this Subpart is
20 not paid by the insurer within thirty days of the award amount being submitted to the
21 insurer in a signed writing, the award amount may be considered as evidence but
22 shall not be binding, except as agreed to by the parties, provided that the insurer's
23 period to pay the award shall be extended to any longer period for payment of the
24 amount due as provided by law. Any award payment obligation is subject to the
25 limits of coverage, other terms and conditions of the policy, and reductions for
26 deductibles and prior payments.

27 B. An insurer's motion to vacate the appraisal award for good cause shall be
28 filed in the court of record in which the property is located within thirty days from
29 the date the insurer receives the appraisal award amount.

30 * * *

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscoped are additions.

1 §1892. Payment and adjustment of claims, policies other than life and health and
2 accident; vehicle damage claims; extension of time to respond to claims
3 during emergency or disaster; penalties; arson-related claims suspension

4 * * *

5 G. Residential property insurance policies shall contain the following
6 provision, with permission to substitute the words "this company" with a more
7 accurate descriptive term for the insurer:

8 "Appraisal. If you and this Company fail to agree as to the amount of loss,
9 either party may demand that the amount of the loss be set by appraisal. If either
10 party makes a written demand for appraisal, each party shall select a competent
11 appraiser and notify the other party of their appraiser's identity within twenty days
12 of receipt of the written demand for appraisal. The appraisers shall select a
13 competent and impartial umpire. If after fifteen days the appraisers have not agreed
14 upon who will serve as umpire, the umpire shall be appointed by a judge of the court
15 of record in which the property is located. The appraisers shall appraise the loss
16 pursuant to law. If the appraisers submit written notice of an agreement as to the
17 amount of the loss to this Company, the amount agreed upon shall set the amount of
18 the loss. If the appraisers fail to agree within thirty days, the appraisers shall submit
19 their differences along with any supporting documentation to the umpire, who shall
20 appraise the loss. The appraisers may extend the time to sixty days for which they
21 shall agree upon the amount of loss or submit their differences and supporting
22 documents to the umpire, if the extension is agreed to by the appraisers from both
23 parties. A written agreement signed by the umpire and either party's appraiser shall
24 set the amount of the loss, pursuant to the appraisal process, but shall not preclude
25 either party from exercising its rights under the policy or the law. Each appraiser
26 shall be paid by the party selecting that appraiser. Other expenses of the appraisal
27 and the expenses of the umpire shall be divided and paid in equal shares by you and
28 this Company. If there is an appraisal award, all applicable policy terms, limits,
29 deductibles, and conditions shall apply. If you file a lawsuit relative to this policy
30 against this Company prior to a demand for appraisal, the lawsuit will be held in

1 abatement during the period between a timely demand for appraisal and the deadline
 2 for execution of an appraisal award, pursuant to this clause. The court of record in
 3 which the property is located may enforce the deadlines of this clause, set a
 4 reasonable deadline for timely demanding appraisal after all parties have filed
 5 pleadings in a lawsuit, and require compliance with discovery and disclosure
 6 obligations relative to aspects of the lawsuit unrelated to the appraisal."

7 * * *

8 Section 2. The provisions of this Act shall apply to the policies of property insurance
 9 issued, delivered, or renewed on or after January 1, 2025.

 SPEAKER OF THE HOUSE OF REPRESENTATIVES

 PRESIDENT OF THE SENATE

 GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____