

2021 Regular Session

HOUSE BILL NO. 457

BY REPRESENTATIVE FIRMENT

1 AN ACT

2 To enact R.S. 22:1674.1 and to repeal R.S. 22:1674, relative to insurance claims adjusters;
3 to provide for the standards of conduct for claims adjusters; to require newly licensed
4 claims adjusters and claims adjusters renewing their license to read and acknowledge
5 the claims adjuster standards of conduct; to provide for penalties for violation of the
6 standards of conduct; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:1674.1 is hereby enacted to read as follows:

9 §1674.1. Standards of conduct; acknowledgment required

10 A. The following standards of conduct shall be binding on all claims
11 adjusters:

12 (1) An adjuster shall not have a direct or indirect financial interest in any
13 aspect of the claim, other than the salary, fee, or other consideration established with
14 the insurer.

15 (2) An adjuster shall not acquire any interest in salvage of property subject
16 to the contract with the insurer.

17 (3) An adjuster shall not solicit employment for, recommend, or otherwise
18 solicit engagement, directly or indirectly, for any attorney at law, contractor, or
19 subcontractor, in connection with any loss or damage for which the adjuster is
20 employed or concerned.

21 (4) An adjuster shall not solicit or accept any compensation, directly or
22 indirectly, from, by, or on behalf of any contractor or subcontractor engaged by or

1 on behalf of any insured by which such adjuster has been, is, or will be employed or
2 compensated, directly or indirectly.

3 (5) An adjuster shall treat all claimants fairly.

4 (6) An adjuster shall not provide favored treatment to any claimant.

5 (7) An adjuster shall adjust all claims strictly in accordance with the
6 insurance contract.

7 (8) An adjuster shall not approach investigations, adjustments, and
8 settlements in a manner prejudicial to the insured.

9 (9) An adjuster shall make truthful and unbiased reports of the facts after
10 completing a thorough investigation.

11 (10) An adjuster shall handle every adjustment and settlement with honesty
12 and integrity, without any remuneration to himself except that to which he is legally
13 entitled.

14 (11) An adjuster, upon undertaking the handling of a claim, shall act with
15 dispatch and due diligence in achieving a proper disposition of the claim.

16 (12) An adjuster shall promptly report to the department any conduct by any
17 licensed insurance representative of this state which violates any provision of this
18 Title or department rule.

19 (13) An adjuster shall exercise appropriate care when dealing with elderly
20 claimants.

21 (14) An adjuster shall not negotiate or effect settlement directly or indirectly
22 with any third-party claimant represented by an attorney, if the adjuster has
23 knowledge of such representation, except with the consent of the attorney. For
24 purposes of this Paragraph, the term "third-party claimant" does not include the
25 insured or the insured's resident relatives.

26 (15) An adjuster may interview any witness, or prospective witness, without
27 the consent of opposing counsel or party. In doing so, however, the adjuster shall
28 scrupulously avoid any suggestion calculated to induce a witness to suppress or
29 deviate from the truth, or in any degree affect the witness's appearance or testimony

1 during deposition or at the trial. If any witness making or giving a signed or
2 recorded statement so requests, the witness shall be given a copy of the statement.

3 (16) An adjuster shall not advise a claimant to refrain from seeking legal
4 advice, nor advise against the retention of counsel to protect the claimant's interest.

5 (17) An adjuster shall not knowingly make any oral or written
6 misrepresentation or statement in regards to applicable policy provisions, contract
7 conditions, or pertinent state laws.

8 (18) An adjuster shall not undertake the adjustment of any claim for which
9 the adjuster is not currently competent and knowledgeable as to the terms and
10 conditions of the insurance coverage, or which otherwise exceeds the adjuster's
11 current expertise.

12 (19) An adjuster shall not permit an unlicensed employee or representative
13 of the adjuster to conduct business for which a license is required pursuant to the
14 provisions of this Part.

15 (20) No adjuster, while so licensed by the department, may represent or act
16 as a public adjuster.

17 (21) No adjuster shall materially misrepresent to an insured or other
18 interested party the terms and coverage of an insurance contract with intent and for
19 the purpose of effecting settlement of a claim for loss or damage or benefit under
20 such contract on less favorable terms than those provided in and contemplated by the
21 insurance contract.

22 B. Upon license issuance and license renewal, claims adjusters shall read and
23 acknowledge the claims adjuster standards of conduct provided in this Section, in a
24 manner prescribed by the commissioner.

25 C. Violation of any provision of Subsection A of this Section shall be
26 grounds for administrative action against the licensee. In addition to administrative
27 action, a claims adjuster who violates the provisions in Subsection A of this Section
28 shall be deemed to have committed an unfair trade practice pursuant to R.S. 22:1964,
29 and the penalties contained in R.S. 22:1969 may be enforced by the commissioner.

1 D. This Section does not create any civil action or create any cause of action
2 not otherwise provided by law.

3 Section 2. R.S. 22:1674 is hereby repealed in its entirety.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____