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## DIGEST

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HB 585 Engrossed

2021 Regular Session

Geymann

**Abstract:** Provides relative to claims settlement practices.

Proposed law provides that if an insured provides the insurer with an alternative adjustment with a discrepancy in damages equal to or greater than 25% of the insurer's estimate, the insurer shall do one of the following:

- (1) Accept the insured's damage estimate.
- (2) Negotiate with the insured and agree to a recalculated damage estimate.
- (3) Conduct a new onsite adjustment.

Proposed law provides that if the insured and insurer do not agree upon a damage estimate after the insurer conducts a new onsite adjustment and a court later determines that there is a discrepancy of 25% or greater in the insurer's original estimate and the court's estimate, the insured will be entitled to recover all costs associated with resolving the dispute.

Proposed law provides that nothing in proposed law shall preclude the insured from using another applicable provision of law to resolve the dispute.

Present law provides that failure to make payment within 30 days after receipt of such satisfactory written proofs and demand therefor or failure to make a written offer to settle any property damage claim, within 30 days after receipt of satisfactory proofs of loss of that claim, or failure to make such payment within 30 days after written agreement or settlement, shall subject the insurer to a penalty of 50% damages on the amount found to be due from the insurer to the insured, or \$1,000, whichever is greater, or in the event a partial payment or tender has been made, 50% of the difference between the amount paid or tendered and the amount found to be due as well as reasonable attorney fees and costs.

Proposed law retains present law but increases the penalty in present law for failure to make a payment or written offer to settle from 50% damages on the amount found to be due from the insurer to the insured, or \$1,000, whichever is greater to 50% damages on the amount found to be due from the insurer to the insured, or \$10,000, whichever is greater. Proposed law also increases the penalty for making a partial payment from 50% of the difference between the amount paid or tendered and the amount found to be due as well as reasonable attorney fees and costs to 50% of the difference between the amount paid or tendered and the amount found to be due as well as reasonable attorney fees and costs or \$10,000, whichever is greater.

(Amends R.S. 22:1892(B)(1); Adds R.S. 22:1892(A)(5))

## Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Restore the time frames prescribed in present law in which insurers must pay the amount due on claims, initiate loss adjustment of a property damage claim and a claim for reasonable medical expenses, and make a written offer to settle property damage claims.
2. Change the process in proposed law for which insurers shall follow if an insured provides the insurer with an alternative adjustment with a discrepancy in damages.
3. Delete proposed law concerning the commissioner being personally liable for failing to ensure insurers comply with certain provisions of law.
4. Restore the damages amounts a claimant is entitled to in present law when an insurer breaches certain imposed duties.