
DIGEST

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HB 976 Original

2022 Regular Session

Larvadain

Abstract: Provides for bad faith claims against insurers.

Present law provides for the duties owed by insurers to insureds and third parties in adjusting and settling insurance claims.

Proposed law retains present law.

Present law sets forth the duties owed by insurers to insureds and third party claimants.

Proposed law retains present law and makes technical changes.

Present law provides for the payment and notification of claims.

Proposed law retains present law.

Present law provides for the initiation of loss adjustment and includes an exception in cases of catastrophic loss.

Proposed law clarifies the circumstances in which the exception applies and provides that the commissioner may promulgate a rule extending the time period within which insurers shall initiate loss adjustment by no longer than 30 days.

Present law requires insurers to make written offers to settle property damage claims within 30 days after receipt of satisfactory proof of loss.

Proposed law retains present law.

Present law sets forth the acts that constitute a breach of the insurer's duties.

Proposed law clarifies the applicable standard and makes technical changes.

Proposed law reformulates the standard necessary for the award of penalties.

Present law provides for the award of general and specific damages caused by breach of the insurer's duty.

Proposed law retains present law.

Present law provides for the award of reasonable attorney fees and costs.

Proposed law retains present law and makes such remedy available in a wider range of circumstances.

Present law sets forth the penalty that may be imposed against an insurer who violates the provisions of present law.

Proposed law clarifies the damages for violating present law and increases the penalties that the court may impose upon insurers found to have violated present law.

Present law provides for losses from fire related to arson and property damage claims concerning personal motor vehicles.

Proposed law retains present law and makes technical changes.

Present law provides for insurance coverage for damaged property

Proposed law retains present law and makes technical changes.

Present law provides for the manner in which claims shall be paid.

Proposed law retains present law.

Present law provides for repairs made to motor vehicles and provides penalties for insurers who violate the provisions of present law.

Proposed law retains present law.

Present law provides that an insurer shall not require that repairs, replacement, restoration, or remediation be made to an insured's property by a particular preferred vendor or recommended contractor when making a payment on a residential or commercial property damage claim.

Present law provides that an insurer shall not recommend the use of a particular preferred vendor or recommended contractor without informing the insured or claimant that the insured or claimant is under no obligation to use the preferred vendor or recommended contractor to complete repairs, replacement, restoration, or remediation of the insured's property.

Proposed law retains present law.

Present law provides that in the adjustment or settlement of first-party losses under fire and extended coverage policies, an insurer is required to include general contractor's overhead and profit in payments for losses when the services of a general contractor are reasonably foreseeable.

Proposed law retains present law.

Present law provides that the deduction of prospective contractor overhead, prospective contractor profit, and sales tax in determining the actual cash value of an adjustment or settlement is not allowed on replacement cost policies or on actual cash value policies.

Proposed law retains present law.

Present law provides that beginning Jan. 1, 2022, residential property insurance policies shall contain a provision that outlines a process whereby the amount of a loss may be set through appraisal, if an insurer and insured do not agree on the amount of the loss and the insurer or insured makes a demand for such.

Proposed law repeals present law.

Present law provides an exemption from liability for the Insurance Guaranty Association Fund.

Proposed law retains present law.

Present law provides for time frames for insurers to adjust claims, make payments on claims, and offers to settle claims. Present law further provides penalties to insurers who violate the provisions established in present law.

Proposed law repeals present law but codifies some of the provisions in present law.

(Amends R.S. 22:1973; Repeals R.S. 22:1892)