

2022 Regular Session

HOUSE BILL NO. 558

BY REPRESENTATIVE WILLARD

INSURANCE CLAIMS: Provides for claims settlement practices

1 AN ACT

2 To enact R.S. 22:1892(A)(6), relative to claims settlement practices; to provide for a receipt
3 of insurance settlement proceeds; and to provide for related matters.

4 Be it enacted by the Legislature of Louisiana:

5 Section 1. R.S. 22:1892(A)(6) is hereby enacted to read as follows:

6 §1892. Payment and adjustment of claims, policies other than life and health and
7 accident; vehicle damage claims; extension of time to respond to claims
8 during emergency or disaster; penalties; arson-related claims suspension

9 A.

10 * * *

11 (6) If an insurer issues a check, draft, or other negotiable instrument that is
12 jointly payable to an insured and a mortgagee or mortgage servicer as payment of
13 insurance settlement proceeds for multiple types of coverage, the insurer shall
14 provide with the check, draft, or other negotiable instrument, a receipt indicating the
15 dollar amount of insurance settlement proceeds paid under each type of coverage
16 including but not limited to dwelling, personal property, and additional living
17 expenses. In lieu of issuing a receipt pursuant to this Paragraph, an insurer may issue
18 separate checks, drafts, or other negotiable instruments for payment of each type of
19 coverage.

20 * * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 558 Engrossed

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Willard

Abstract: Provides for claims settlement practices.

Present law provides for certain standards in claims settlement practices and provides penalties for violation of those standards.

Proposed law retains present law.

Proposed law provides that if an insurer issues a check, draft, or other negotiable instrument that is jointly payable to an insured and a mortgagee or mortgage servicer as payment of insurance settlement proceeds for multiple types of coverage, the insurer shall provide a receipt indicating the dollar amount of insurance proceeds paid under each type of coverage.

Proposed law provides that in lieu of a receipt, an insurer may issue separate checks, drafts, or other negotiable instruments for payment of each type of coverage.

(Adds R.S. 22:1892(A)(6))

Summary of Amendments Adopted by House

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

1. Restore present law (R.S. 22:1973(B)(5)).
2. Delete the time frames for determining satisfactory proof of loss in proposed law.
3. Require insurers to issue a receipt indicating the dollar amount of insurance settlement proceeds paid under each type of coverage along with the payment in certain circumstances.
4. Provide that an insurer may issue separate payments for each type of coverage in lieu of issuing a receipt.
5. Make technical changes.