2022 Regular Session

#### HOUSE BILL NO. 539

### BY REPRESENTATIVE FIRMENT

### 1 AN ACT 2 To amend and reenact R.S. 51:451(A) and to enact R.S. 37:2175.3(A)(12) through (18) and 3 R.S. 51:452, relative to property insurance; to prohibit contractors from engaging in 4 certain acts related to an insured's property insurance claim; to prohibit sellers of 5 goods and services from assisting in paying an insured's deductible; to provide 6 contract language advising insureds of their duty to pay their property insurance 7 deductible; and to provide for related matters. 8 Be it enacted by the Legislature of Louisiana: 9 Section 1. R.S. 37:2175.3(A)(12) through (18) are hereby enacted to read as follows: 10 §2175.3. Home improvement contracting; prohibited acts; violations 11 A. The following acts are prohibited by persons or companies performing 12 home improvement contracting services: \* 13 \* 14 (12) Interpreting insurance policy provisions regarding coverage or duties 15 under an insured's property insurance policy. A contractor shall be considered to 16 have violated the provisions of this Paragraph if a person working on behalf of the 17 contractor including but not limited to a compensated employee or a nonemployee 18 who is compensated by the contractor violates the provisions of this Paragraph. 19 (13) Adjusting a property insurance claim on behalf of an insured as an 20 adjuster, as defined in R.S. 22:1661. A contractor shall be considered to have 21 violated the provisions of this Paragraph if a person working on behalf of the

**ENROLLED** 

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1	contractor including but not limited to a compensated employee or a nonemployee
2	who is compensated by the contractor violates the provisions of this Paragraph.
3	(14) Providing an insured with an agreement authorizing repairs without
4	providing a good faith estimate of the itemized and detailed costs of services and
5	materials for repairs undertaken pursuant to a property damage claim. A contractor
6	shall be considered to have violated the provisions of this Paragraph if a person
7	working on behalf of the contractor including but not limited to a compensated
8	employee or a nonemployee who is compensated by the contractor violates the
9	provisions of this Paragraph. A contractor does not violate this Paragraph if, as a
10	result of the insurer adjusting a claim, the actual cost of repairs differs from the
11	initial estimate.
12	(15) Sharing in any legal fee earned by an attorney.
13	(16) Requiring an insured to sign an attorney representation agreement on
14	behalf of an attorney.
15	(17) Accepting a fee, commission, or other valuable consideration, regardless
16	of form or amount, in exchange for a referral by the person or company to an
17	attorney or law firm.
18	(18)(a) Accepting an assignment of any rights, benefits, proceeds, or causes
19	of action of an insured under a property insurance policy prior to completing the
20	work described in the home improvement contract and the property insurer
21	conducting its initial examination of the damage caused by the covered peril. The
22	assignment of any rights, benefits, proceeds, or causes of action shall be limited to
23	the scope of work and fees provided in the home improvement contract, which shall
24	comply with the provisions of R.S. 37:2175.1.
25	(b) For the purposes of this Paragraph, home improvement contracting
26	services shall include temporary repair, mitigation, reconstruction, or other repair of
27	damage caused by a peril covered under a first-party property insurance policy.

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1	(c) The provisions of this Paragraph shall not be interpreted to limit the right	
2	of a person performing home improvement contracting services to perfect an	
3	otherwise valid lien on the property, as provided by law.	
4	* * *	
5	Section 2. R.S. 51:451(A) is hereby amended and reenacted and R.S. 51:452 is	
6 hereby enacted to read as follows:		
7	§451. Payments and rebates charged against insurance deductibles; sellers of goods	
8	or services prohibited	
9	A. No person selling or engaged in the sale of goods or services shall:	
10	(1) Advertise or promise to provide goods or services. Provide goods or	
11	services or advertise or promise to provide goods or services to an insured in a	
12	transaction in which the goods or services will be paid for by the insured from the	
13	proceeds of the property insurance claim and, without the insurer's consent, the	
14	person selling the goods or services agrees to do any of the following:	
15	(a) Pay, waive, absorb, or otherwise decline to charge or collect the amount	
16	of the insured's deductible.	
17	(b) Provide a rebate in connection with the sale of the goods or services that	
18	will offset all or part of the amount paid by the insured as a deductible.	
19	(c) In any manner, assist the insured in avoiding monetary payment of the	
20	insured's deductible.	
21	(2) Offer to pay, pay, or rebate all or part of any insurance deductible, under	
22	a property or casualty insurance policy, to a consumer as part of any arrangement for	
23	goods and services paid for by the consumer from proceeds of a property or casualty	
24	insurance policy.	
25	(3) Charge an amount, for such goods or services, that exceeds the usual and	
26	customary charge by an amount equal to or greater than all or part of the applicable	
27	insurance deductible paid.	
28	* * *	

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1	§452. Contract paid with insurance policy proceeds; notice required
2	A contract to provide goods or services that is reasonably expected to be paid
3	wholly or partly with the proceeds from a claim under a property insurance policy
4	and has a contract price of one thousand dollars or more shall contain the following
5	notice in at least twelve-point boldfaced type: "Louisiana law requires a person
6	insured under a property insurance policy to pay any deductible applicable to a claim
7	made under the policy. It is a violation of Louisiana law for a seller of goods or
8	services who reasonably expects to be paid wholly or partly from the proceeds of a
9	property insurance claim to knowingly allow the insured person to fail to pay, or
10	assist in the insured person's failure to pay the applicable insurance deductible."

# SPEAKER OF THE HOUSE OF REPRESENTATIVES

### PRESIDENT OF THE SENATE

# GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_