

HOUSE SUMMARY OF SENATE AMENDMENTS

HB 183

2023 Regular Session

Firment

INSURANCE: Prohibits the assignment of certain benefits

Synopsis of Senate Amendments

1. Defines "assignment agreement".
2. Provides that an assignment agreement is against public policy and is null and void.
3. Makes technical changes.

Digest of Bill as Finally Passed by Senate

Proposed law defines an "assignment agreement" and provides that such an agreement is against public policy and is null and void.

Proposed law prohibits a person from soliciting or accepting an assignment of any post-loss insurance benefits under a residential or commercial property insurance policy.

Proposed law does not apply to the following:

- (1) An assignment, transfer, pledge, or conveyance granted to a federally insured financial institution, mortgagee, or a subsequent purchaser of the property.
- (2) Liability coverage under a residential or commercial property insurance policy.

Proposed law provides that any violation of proposed law is considered an unfair or deceptive trade practice. Further provides that any person found to have violated proposed law is subject to present law penalties.

Proposed law provides that present law (C.C. Art. 2653) relative to the assignability of rights does not apply to proposed law.

Proposed law does not prohibit an attorney from collecting a contingency fee for an action related to a property insurance claim.

Present law prohibits persons performing home improvement contracting services from accepting an assignment of any right, benefit, proceed, or cause of action of an insured before completing the work described in the contract.

Proposed law repeals present law.

(Adds R.S. 22:1274; Repeals R.S. 37:2159.1(7))