

2023 Regular Session

HOUSE BILL NO. 183

BY REPRESENTATIVES FIRMENT AND GAROFALO

1 AN ACT

2 To enact R.S. 22:1274 and to repeal R.S. 37:2159.1(7), relative to the assignment of
3 benefits; to provide a definition for an assignment agreement; to prohibit the
4 assignment of certain benefits; to provide for enforceability; to provide for penalties;
5 to provide for exceptions; to repeal relative to the assignment of benefits with respect
6 to home improvement contracting; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:1274 is hereby enacted to read as follows:

9 §1274. Assignment of benefits; prohibited

10 A. For the purposes of this Section, "assignment agreement" means any
11 instrument by which post-loss benefits under a residential or commercial property
12 insurance policy, including but not limited to any right of action against the insurer
13 or any proceeds acquired from the insurer, are assigned, transferred, or acquired in
14 any other manner, in whole or in part, to or from a person providing services,
15 including but not limited to inspecting, protecting, repairing, restoring, or replacing
16 the property or mitigating against further damage to the property.

17 B.(1) A person shall not solicit or accept an assignment, in whole or in part,
18 of any post-loss insurance benefit under a residential or commercial property
19 insurance policy. An assignment agreement is against public policy and is null and
20 void.

1 (2) The provisions of Paragraph (1) of this Subsection do not apply to any
2 of the following:

3 (a) An assignment, transfer, pledge, or conveyance granted to a federally
4 insured financial institution, mortgagee, or a subsequent purchaser of the property.

5 (b) Liability coverage under a residential or commercial property insurance
6 policy.

7 C. Violation of Subsection B of this Section is considered an unfair or
8 deceptive trade practice. Any person found to have violated the provisions of
9 Subsection B of this Section shall be subject to the penalties imposed by R.S.
10 22:1969.

11 D. The provisions of Civil Code Article 2653 shall not apply to this Section.

12 E. Nothing in this Section shall be interpreted to prohibit an attorney from
13 collecting a contingency fee, as permitted by R.S. 37:218 and by the Louisiana Rules
14 of Professional Conduct of the Louisiana State Bar Association, for an action related
15 to a property insurance claim.

16 Section 2. R.S. 37:2159.1(7) is hereby repealed in its entirety.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____