

2024 Regular Session

HOUSE BILL NO. 459

BY REPRESENTATIVE GLORIOSO

CONTRACTORS: Prohibits certain practices of contractors relative to the solicitation of residential property insurance claims

1 AN ACT

2 To enact R.S. 37:2159.2, relative to prohibitions on contractors; to provide for limitations
3 on advertising and soliciting; to provide for definitions; to prohibit certain contractor
4 advertisement and solicitation for insured repairs; to provide for applicability; to
5 provide for violations and fines; to provide for notice to property owners; and to
6 provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 37:2159.2 is hereby enacted to read as follows:

9 §2159.2. Prohibited property insurance practices for contractors; definitions;
10 applicability to contractors and other persons; violations; fines; notice

11 A. As used in this Section:

12 (1) "Prohibited advertisement" means any written or electronic
13 communication by a contractor that encourages, instructs, or induces a consumer to
14 contact a contractor or public adjuster for the purpose of making an insurance claim
15 for roof damage. The term "prohibited advertisement" includes but is not limited to
16 door hangers, business cards, magnets, flyers, pamphlets, and emails.

17 (2) "Soliciting" means contacting by any of the following means:

18 (a) In-person contact.

19 (b) Electronic means including but not limited to email, telephone, and any
20 other real-time communication directed to a specific person.

1 (c) Delivery to a specific person.

2 B. A contractor may not directly or indirectly engage in any of the following
3 practices:

4 (1) Soliciting a residential property owner by means of a prohibited
5 advertisement.

6 (2) Offering to a residential property owner a rebate, gift, gift card, cash,
7 coupon, waiver of any insurance deductible, or any other thing of value in exchange
8 for either of the following:

9 (a) Allowing the contractor to conduct an inspection of the roof of a
10 residential property owner.

11 (b) Making an insurance claim for damage to the roof of a residential
12 property owner.

13 (3) Offering, delivering, receiving, or accepting any compensation,
14 inducement, or reward for the referral of any services for which property insurance
15 proceeds are payable. Payment by the residential property owner or insurance
16 company to a contractor for roofing services rendered does not constitute
17 compensation for a referral.

18 (4) Interpreting policy provisions or advising an insured regarding coverages
19 or duties under a property insurance policy or adjusting a property insurance claim
20 on behalf of the insured, unless the contractor holds a license as a public adjuster
21 pursuant to R.S. 22:1699.

22 (5) Providing an insured with an agreement authorizing repairs in accordance
23 with R.S. 37:2159.1(3).

24 C. A contractor who violates this Section may be subject to disciplinary
25 proceedings as provided in R.S. 37:2158. A contractor may receive up to a fine of
26 ten thousand dollars for each violation of this Section.

27 D.(1) The acts of any person on behalf of a contractor, including but not
28 limited to the acts of a compensated employee or a nonemployee who is
29 compensated for soliciting, shall be considered the actions of the contractor.

1 (2) An unlicensed person who engages in an act prohibited by this Section
 2 shall be guilty of unlicensed contracting and subject to the penalties provided in R.S.
 3 37:2163. Notwithstanding R.S. 37:2163(C)(2), an unlicensed person who violates
 4 this Section may be fined up to ten thousand dollars for each violation.

5 E. A contractor shall not execute a contract with a residential property owner
 6 to repair or replace a roof without including a notice that the contractor may not
 7 engage in the practices set forth in Paragraph (B)(2) of this Section. If the contractor
 8 fails to include such notice, the residential property owner may void the contract
 9 within thirty days after executing the contract.

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 459 Original

2024 Regular Session

Glorioso

Abstract: Prohibits contractors from soliciting a property owner's property insurance coverage for roof repair by utilizing certain advertisements and communications.

Proposed law defines "prohibited advertisement", in pertinent part, as communication by a contractor that encourages, instructs, or induces a consumer to contact a contractor or public adjuster about making a roofing damage insurance claim.

Proposed law defines "soliciting".

Proposed law provides that a contractor may not engage in prohibited advertising by certain acts of soliciting a residential property owner.

Proposed law provides that a contractor in violation of proposed law may be subject to disciplinary proceedings and a fine up to \$10,000.

Proposed law applies to contractors and persons acting on behalf of a contractor.

Proposed law provides that an unlicensed person in violation of proposed law shall be guilty of unlicensed contracting and may be fined up to \$10,000.

Proposed law provides that a contractor shall not execute a contract without providing notice regarding proposed law to the residential property owner.

(Adds R.S. 37:2159.2)