

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 831** HLS 26RS 1113

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | |
|--|--------------------------------|
| Date: March 22, 2026 3:04 PM | Author: FIRMENT |
| Dept./Agy.: Insurance/Risk Management/Licensing Board for Contractors | Analyst: Anthony Shamis |
| Subject: Prohibits certain pricing practice in property damage claims | |

INSURANCE/PROPERTY OR INCREASE OF EX See Note Page 1 of 1
Prohibits certain pricing practices in property damage claims

Proposed law establishes criteria for the offense of prohibited pricing practices for property damage claims of property and casualty insurance (excluding automobile or health insurance policies) that meet certain criteria. Proposed law provides for certain exceptions to the offense of prohibited pricing practices. Violations of this provision are designated as fraudulent insurance acts, subject to penalties and enforcement under present law. Proposed law prohibits inconsistent or selective pricing by insurers in property damage claims; and unfair methods of competition and unfair or deceptive acts/practices. Proposed law provides for certain exceptions related to unfair methods of competition and unfair or deceptive acts or practices. Violations of this provision are subject to the enforcement provisions of the unfair trade practices law. Proposed law authorizes the Commissioner of Insurance to adopt rules to implement this legislation. Proposed law prohibits licensed contractors from engaging in any practice prohibited by proposed law (R.S. 22:1930) in connection with a property damage claim. Violations of this provision shall be grounds for disciplinary action by the State Licensing Board for Contractors.

| EXPENDITURES | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 5 -YEAR TOTAL |
|----------------|------------------|------------------|------------------|------------------|------------------|---------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | SEE BELOW | |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Annual Total

| REVENUES | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 5 -YEAR TOTAL |
|----------------|------------------|------------------|------------------|------------------|------------------|---------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | SEE BELOW | |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Annual Total

EXPENDITURE EXPLANATION

Proposed law may have an indeterminable, but minimal impact on IAT expenditures within the Office of Risk Management (ORM). Information provided by ORM indicates that the expenditure impact from this legislation is anticipated to be minimal and may result in either a positive or negative effect on contractor pricing for property damage repairs to state buildings paid from the self-insurance fund for participating state agencies. ORM anticipates minimal impact on state competitive bids as a result of this legislation. However, the overall fiscal impact is unknown.

Proposed law is not anticipated to have an expenditure impact on the Louisiana Department of Insurance (LDI) or the State Licensing Board for Contractors (SLBC). Information provided by LDI indicates that violations designated as fraudulent insurance acts are subject to penalties and enforcement provisions under current law. Any administrative workload associated with implementation, including rule promulgation and enforcement activities, can be absorbed using existing staff and resources. SLBC reports that the investigative process will remain substantially the same, and that identifying inconsistencies is a standard component of that process. If a violation is identified, potential prosecution would occur in conjunction with other violations already provided for in current law.

REVENUE EXPLANATION

Proposed law may increase SGR revenue collections within LDI by an indeterminable amount associated with fines and penalties collected as a result of this legislation. The number of violations that may result in such collections is unknown at this time.

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger

Alan M. Boxberger
Legislative Fiscal Officer