

2026 Regular Session

HOUSE BILL NO. 765

BY REPRESENTATIVE FREEMAN

INSURANCE: Provides relative to procedures for joining liability insurers and asserting coverage defenses

1 AN ACT

2 To amend and reenact R.S. 22:1269(D)(1)(a) and (E)(2)(introductory paragraph), relative  
3 to liability insurance; to establish the procedure for joining a liability insurer to a  
4 final judgment; to delineate the requirements for reservation-of-rights notices; and  
5 to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:1269(D)(1)(a) and (E)(2)(introductory paragraph) are hereby  
8 amended and reenacted to read as follows:

9 §1269. Liability policy; insolvency or bankruptcy of insured and inability to effect  
10 service of citation or other process; direct action against insurer

11 \* \* \*

12 D.(1)(a) In those instances where direct action is not otherwise authorized  
13 by law, at the time that a judgment is to be entered; or a settlement is reached during  
14 the pendency of litigation, a liability insurer may be joined on motion of any party  
15 as a party defendant solely for the purposes of entering final judgment or enforcing  
16 the settlement.

17 \* \* \*

18 E. In addition to any other restriction provided by law, a liability insurer  
19 denying coverage shall do the following:

20 \* \* \*

1           (2) Within sixty days of the later of compliance with Paragraph (1) of this  
2           Subsection and after receipt or waiver of notice pursuant to Paragraph (D)(2) of this  
3           Section, but in no case later than thirty days before trial, ~~the insured~~ the insurer shall  
4           ~~give notice to all counsel of record in a cause of action against the insured that a~~  
5           ~~reservation of rights has been issued and also give notice to its named insurer provide~~  
6           written notice to all counsel of record in the cause of action that a reservation of  
7           rights has been issued and shall provide written notice to the named insured, in the  
8           same manner as provided for in Paragraph (1) of this Subsection that either:

\* \* \*

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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)]

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HB 765 Engrossed

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Freeman

**Abstract:** Outlines the procedures for asserting coverage defenses and for joining liability insurers as parties in civil actions.

Present law authorizes a direct action against a liability insurer under limited circumstances, prohibits disclosure of insurance coverage to the jury, and establishes notice requirements for insurers asserting coverage defenses.

Proposed law retains present law and establishes a post-verdict procedure allowing a liability insurer to be joined as a party defendant solely for the purposes of entering final judgment or enforcing a settlement when direct action is not otherwise authorized.

Proposed law prohibits joinder if the insurer timely denied coverage or reserved rights in accordance with proposed law unless there has been an adjudication in favor of coverage.

Proposed law requires a plaintiff seeking to join an insurer post-verdict to have first filed a petition to establish coverage and obtained an adjudication in favor of coverage.

Proposed law revises the notice requirements for insurers asserting coverage defenses by:

- (1) Requiring the insurer to provide written notice of reservation of rights to the insured within ninety days after determining the existence of a coverage defense.
- (2) Requiring the insurer, within sixty days thereafter, to provide written notice to all counsel of record that a reservation of rights has been issued and to notify the insured whether the insurer refuses to defend or is providing a defense under a reservation of rights.

Proposed law otherwise retains present law.

(Amends R.S. 22:1269(D)(1)(a) and (E)(2)(intro. para.))