
DIGEST

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HB 577 Engrossed

2026 Regular Session

Glorioso

Abstract: Increases the potential amount of a penalty of up to fifty percent of the amount found to be due from the insurer to the insured.

Present law requires insurers to timely pay claims under policies other than life and health and accident insurance and authorizes penalties, damages, attorney fees, and costs when an insurer's failure to pay is arbitrary, capricious, or without probable cause. Provides that the penalty is 50% of the amount found to be due from the insurer to the insured, or 50% of the difference between the amount paid or tendered and the amount found to be due when a partial payment has been made.

Proposed law changes the penalty calculation by authorizing a penalty of up to 50% of the amount found to be due from the insurer to the insured, or of up to 50% of the difference between the amount paid or tendered and the amount found to be due when a partial payment has been made and failure to make payment is found to be arbitrary, capricious, or without probable cause.

Proposed law otherwise retains present law.

(Amends R.S. 22:1892(B)(1)(a))