
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Thomas L. Tyler.

DIGEST

Proposed law requires that every payment by an insurer made in settlement of a property damage claim be paid by check or draft of the insurer to the order of the claimant to whom payment is due under the policy provisions, or his attorney, or upon direction of the claimant to a person specified.

Requires that if the settlement check or draft is made payable jointly to the claimant and a person holding a security interest in the damaged property, then the settlement proceeds are to be placed in an interest-bearing escrow account. Requires that the interest on the monies accrue to the benefit of the claimant. Requires that when the damaged property is replaced or otherwise repaired to the satisfaction of the person holding a security interest in the property, then any remaining monies in the escrow account are to be paid to the claimant together with the interest that accrued.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 22:658(E))