
The original instrument was prepared by Thomas L. Tyler. The following digest, which does not constitute a part of the legislative instrument, was prepared by Carla S. Roberts.

DIGEST

Schedler (SB 16)

Proposed law requires that every payment by an insurer made in settlement of a property damage claim, in which another holds a security interest, be paid by check or draft of the insurer and be made payable jointly to the claimant and the person holding a security interest that is listed in the policy in the damaged property, and that the settlement proceeds 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 and the claimant, then any remaining monies in the escrow account are to be paid to the claimant together with the interest that accrued.

Proposed law requires that the individual holding the security interest listed in the policy, to deposit the funds in an interest bearing account.

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

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

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original bill.

1. Clarifies that the security interest must be listed in the policy.
2. Requires the individual holding the security interest listed in the policy to invest the money in the interest bearing account.
3. Requires that the property be repaired to the satisfaction of the claimant as well as the holder of the security interest.