
DIGEST

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HB 423 Original

2020 Regular Session

Mike Johnson

Abstract: Provides a prescriptive period of two years for claims brought against an insurer for breach of good faith and fair dealing.

Present law provides that an insurer owes to his insured a duty of good faith and fair dealing and to adjust claims fairly and promptly and to make a reasonable effort to settle claims.

Present law further provides that any insurer who breaches these duties shall be liable for any damages sustained as a result of the breach.

Proposed law provides that any action brought pursuant to present law is subject to a liberative prescription of two years. This prescription commences to run from the day injury or damage is sustained.

Proposed law applies to all claims existing or actions pending on its effective date and all claims arising or actions filed on and after its effective date.

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

(Adds R.S. 22:1973(E))