
DIGEST

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HB 585 Original

2021 Regular Session

Geymann

Abstract: Provides relative to claims settlement practices.

Present law provides that all insurers issuing any type of contract, other than those specified in present law, shall pay the amount of any claim due any insured within 30 days after receipt of satisfactory proofs of loss from the insured or any party in interest.

Proposed law retains present law but changes the time frame to make payment on claims from 30 days to 15 days.

Present law provides that except in the case of catastrophic loss, insurers shall initiate loss adjustment of a property damage claim and of a claim for reasonable medical expenses within 14 days after notification of loss by the claimant.

Proposed law retains present law but changes the time frame to initiate adjustment on claims from 14 days to 7 days.

Present law provides that in the case of catastrophic loss, insurers shall initiate loss adjustment of a property damage claim within 30 days after notification of loss by the claimant.

Proposed law retains present law but changes the time frame to initiate adjustment on claims from 30 days to 15 days.

Present law provides that all insurers shall make a written offer to settle any property damage claim, including a third-party claim, within 30 days after receipt of satisfactory proofs of loss of that claim.

Proposed law retains present law but changes the time frame to make a written offer to settle from 30 days to 15 days.

Proposed law provides that if an insured provides the insurer with an alternative adjustment from a licensed adjuster in which there is a discrepancy in damage estimates equal to or greater than \$10,000, the insurer shall base his damage estimate on the insured's adjustment or conduct an additional on site adjustment using an independent claims adjuster within 10 days of receiving the insured's adjustment, with all costs associated with the additional adjuster being paid by the insurer.

Present law provides that failure to make payment within 30 days after receipt of such satisfactory written proofs and demand therefor or failure to make a written offer to settle any property damage

claim, within 30 days after receipt of satisfactory proofs of loss of that claim, or failure to make such payment within 30 days after written agreement or settlement, shall subject the insurer to a penalty of 50% damages on the amount found to be due from the insurer to the insured, or \$1,000, whichever is greater, or in the event a partial payment or tender has been made, 50% of the difference between the amount paid or tendered and the amount found to be due as well as reasonable attorney fees and costs.

Proposed law retains present law but reduces the time frames established in present law in half and increases the penalty in present law for failure to make a payment or written offer to settle from 50% damages on the amount found to be due from the insurer to the insured, or \$1,000, whichever is greater to 50% damages on the amount found to be due from the insurer to the insured, or \$10,000, whichever is greater. Proposed law also increases the penalty for making a partial payment from 50% of the difference between the amount paid or tendered and the amount found to be due as well as reasonable attorney fees and costs to 50% of the difference between the amount paid or tendered and the amount found to be due as well as reasonable attorney fees and costs or \$10,000, whichever is greater.

Present law provides that in addition to any general or special damages to which a claimant is entitled for breach of imposed duties, the claimant may be awarded penalties assessed against the insurer in an amount not to exceed two times the damages sustained or \$5,000, whichever is greater.

Proposed law retains present law but increases the penalties claimants may be awarded from an amount not to exceed two times the damages sustained or \$5,000, whichever is greater to an amount not to exceed four times the damages sustained or \$10,000, whichever is greater.

Proposed law provides that the commissioner of insurance may be held personally liable for damages that result from his failure to ensure that insurers comply with the provisions of present law.

(Amends R.S. 22:1892(A)(1), (3), and (4) and (B)(1) and 1973(C); Adds R.S. 22:1892(A)(5) and 1897)