

2022 Regular Session

SENATE BILL NO. 208

BY SENATOR STINE

PROPERTY INSURANCE. Requires an insurer pay increased penalties for not timely paying a property insurance claim that is related to a catastrophic event. (8/1/22)

1 AN ACT

2 To amend and reenact R.S. 22:1892(B)(1)(b) relative to increased penalties for insurers
3 failing to pay property insurance claims that is related to a catastrophic event; to
4 provide certain penalties for insurers not timely paying property insurance claims
5 related to a catastrophic event; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:1892(B)(1)(b) is hereby amended and reenacted to read as
8 follows:

9 §1892. Payment and adjustment of claims, policies other than life and health and
10 accident; vehicle damage claims; extension of time to respond to
11 claims during emergency or disaster; penalties; arson-related claims
12 suspension

13 * * *

14 B.(1)(a) * * *

15 (b)(i) In the case of a presidentially or gubernatorially declared disaster,
16 failure to make such payment within thirty days after receipt of ~~such~~ satisfactory
17 written proofs and demand ~~therefor~~ or failure to make a written offer to settle any

1 property damage claim, including a third-party claim, within thirty days after receipt
2 of satisfactory proofs of loss of that claim, as provided in Paragraphs (A)(1) and (4)
3 of this Section, respectively, or failure to make ~~such~~ payment within thirty days after
4 written agreement or settlement as provided in Paragraph (A)(2) of this Section when
5 ~~such~~ failure is found to be arbitrary, capricious, or without probable cause, shall
6 subject the insurer, **in addition to the amount of the loss,** to a penalty, ~~in addition~~
7 ~~to the amount of the loss,~~ **of equal to** fifty percent damages on the amount found to
8 be due from the insurer to the insured, or two thousand five hundred dollars,
9 whichever is greater, payable to the insured;

10 **(ii) If the insurer fails to make such payment as provided in Paragraph**
11 **(A)(2) of this Section after sixty days, the insurer shall be subject to a penalty,**
12 **in addition to the amount of the loss, equal to one hundred percent of damages**
13 **on the amount found to be due as well as reasonable attorney fees, or five**
14 **thousand dollars, whichever is greater to the insured.**

15 **(iii) If the insurer fails to make such payment as provided in Paragraph**
16 **(A)(2) of this Section after one hundred twenty days or more the insurer shall**
17 **be subject to a penalty equal to one hundred fifty percent damages on the**
18 **amount found to be due as well as reasonable attorney fees and costs, or ten**
19 **thousand dollars, whichever is greater to the insured.**

20 ~~(iv) or in the event~~ **If** a partial payment or tender has been made, fifty percent
21 of the difference between the amount paid or tendered and the amount found to be
22 due as well as reasonable attorney fees and costs or two thousand five hundred
23 dollars, whichever is greater. The penalties, if awarded, shall not be used by the
24 insurer in computing either past or prospective loss experience for the purpose of
25 setting rates or making rate filings.

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