
DIGEST

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HB 539 Original

2022 Regular Session

Firment

Abstract: Provides for property insurance policies.

Proposed law provides that if a loss requires repair or replacement of an item or part, any damage incurred while making the repair shall be included in the loss calculation.

Proposed law provides that if a loss requires replacement of items and the replaced items do not match in quality, color, or size, the insurer shall make reasonable replacement of items in the adjoining areas.

Proposed law provides that in determining the extent necessary to replace items in the adjoining areas the insurer may consider the cost of replacing the undamaged portions, the degree of uniformity that can be achieved without additional cost, the remaining useful life of the undamaged portion, and other relevant factors.

Proposed law does not make the insurer a warrantor of repairs, nor does proposed law authorize or preclude enforcement of policy provisions related to the resolution of settlement disputes.

Present law prohibits persons performing home improvement contracting from engaging in certain acts.

Proposed law retains present law and prohibits persons performing home improvement contracting from engaging in the following acts:

- (1) Interpreting insurance policy provisions or advising an insured regarding coverage or duties under the insured's property insurance policy.
- (2) Adjusting a property insurance claim on behalf of an insured, unless the contractor holds a public adjuster license.
- (3) Providing an insured with an agreement authorizing repairs without providing a good faith estimate of the itemized and detailed cost of services and materials for repairs undertaken pursuant to a property damage claim.

Proposed law provides that a licensed contractor that violates proposed law shall be subject to a disciplinary proceeding and may be fined up to \$1,000 for each violation.

Proposed law provides that an unlicensed contractor who violates proposed law shall be subject to the unauthorized contracting penalties found in present law and may be fined up to \$1,000 for each violation.

Present law provides that no person selling or engaging in the sale of goods or services shall advertise or promise to provide goods or services or offer to pay, pay, or rebate any part of an insurance deductible as part of an arrangement for goods and services paid for with proceeds from an insurance policy.

Proposed law repeals present law and provides that no person selling or engaging in the sale of goods or services shall provide a good or service or advertise or promise to provide goods or services to an insured in a transaction in which the good or service will be paid for with proceeds of a property insurance claim and the person selling the good or service, without the insurer's consent, will do any of the following:

- (1) Pay, waive, absorb, or otherwise decline to charge or collect the amount of the insured's deductible.
- (2) Provide a rebate or credit in connection with the sale of a good or service that will offset all or part of the amount paid by the insured as a deductible.
- (3) In any manner, assist the insured in avoiding monetary payment of the required insurance deductible.

Proposed law provides language for a notice that shall be included in contracts to provide a good or service that is reasonably expected to be paid with proceeds from a claim under an insurance policy.

(Amends R.S. 51:451(A); Adds R.S. 22:1895.1, R.S. 37:2175.3(A)(12)-(14) and (B)(3) and (4), and R.S. 51:452)