2022 Regular Session

HOUSE BILL NO. 936

BY REPRESENTATIVE HUVAL

INSURERS: Provides for the payment and adjustment of claims

1	AN ACT
2	To amend and reenact R.S. 22:1892(A)(1), (3), and (4), relative to the payment and
3	adjustment of certain insurance claims; to provide for the payment of any undisputed
4	amount due on a claim; to provide for initiation of loss adjustment; to provide for
5	requests for certain documents; to provide for written notice; and to provide for
6	related matters.
7	Be it enacted by the Legislature of Louisiana:
8	Section 1. R.S. 22:1892(A)(1), (3), and (4) are hereby amended and reenacted to
9	read as follows:
10	§1892. Payment and adjustment of claims, policies other than life and health and
11	accident; vehicle damage claims; extension of time to respond to claims
12	during emergency or disaster; penalties; arson-related claims suspension
13	A.(1) All insurers issuing any type of contract, other than those specified in
14	R.S. 22:1811, 1821, and Chapter 10 of Title 23 of the Louisiana Revised Statutes of
15	1950, shall pay the <u>undisputed</u> amount of any claim due any insured within thirty
16	days after receipt of satisfactory proofs proof of loss from the an insured or any party
17	in interest. The insurer shall notify the insurance producer of record of all such
18	payments for property damage claims made in accordance with this Paragraph.
19	* * *

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	(3)(a) Except in the case of catastrophic loss, the <u>an</u> insurer shall
2	acknowledge receipt of a claim, initiate loss adjustment of a property damage claim
3	and of a claim for reasonable medical expenses, and request from the insured any
4	items, statements, and forms that the insurer reasonably believes, at that time, will
5	be required from the insured within fourteen fifteen days after notification of loss by
6	the claimant <u>insured</u> .
7	(b) In the case of catastrophic loss, the an insurer shall acknowledge receipt
8	of a claim, initiate loss adjustment of a property damage claim, and request from the
9	insured any items, statements, and forms that the insurer reasonably believes, at that
10	time, will be required from the insured within thirty days after notification of loss by
11	the claimant insured; except that however, the commissioner may promulgate a rule
12	for extending the time period for initiating a loss adjustment for damages arising
13	from a presidentially declared emergency or disaster or a gubernatorially declared
14	emergency or disaster up to an additional thirty days. Thereafter, only one additional
15	extension of the period of time for initiating a loss adjustment may be allowed and
16	must shall be approved by the Senate Committee on Insurance and the House
17	Committee on Insurance, voting separately.
18	(c) Failure to comply with the provisions of this Paragraph shall subject the
19	insurer to the penalties provided in R.S. 22:1973.
20	(d) If the acknowledgment of receipt of a claim is not made in writing, the
21	insurer shall make a record of the date, manner, and content of the acknowledgment.
22	(e) An insurer may make additional requests for information if during the
23	investigation of the claim the additional requests are necessary.
24	(f) An insurer shall accept or reject a claim within fifteen business days of
25	receiving any items, statements, and forms required by the insurer to determine
26	satisfactory proof of loss. The acceptance or denial of a claim may be in whole or
27	in part.
28	(g) If an insurer is unable to accept or reject a claim within fifteen business
29	days after receiving the items, statements, and forms required by an insurer, the

1	insurer, within that same time period, shall notify the insured of the reasons that the
2	insurer needs additional time to assess the claim. The insurer shall thereafter accept
3	or reject the claim no later than thirty days after receiving the items, statements, and
4	forms required by the insurer.
5	(4) All insurers shall make a written offer to settle, in whole or in part, any
6	property damage claim, including a third-party claim, within thirty days after receipt
7	of satisfactory proofs <u>proof</u> of loss of that claim .
8	* * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 936 Engrossed 2022 Regular Session

Huval

Abstract: Provides for the payment and adjustment of claims.

<u>Present law</u> provides that insurers shall pay the amount of any claim due any insured within 30 days after receiving satisfactory proof of loss from the insured or a party in interest.

<u>Proposed law</u> provides that insurers shall pay the undisputed amount of any claim due within 30 days after receiving satisfactory proof of loss from the insured or a party in interest.

<u>Present law</u> provides that except in the case of catastrophic loss, the insurer shall initiate loss adjustment of a claim within 14 days after notification of loss by the insured.

<u>Proposed law</u> changes the time frame in <u>present law from</u> 14 days after notification of loss to 15 days after notification of loss and provides that the insurer shall also acknowledge receipt of the claim and request from the insured any items, statements, and forms that the insurer reasonably believes, at that time, will be required from the insured within the time frame provided in <u>proposed law</u>.

<u>Present law</u> provides that in the case of catastrophic loss, the insurer shall initiate loss adjustment of a claim within 30 days after notification of loss by the insured, unless the commissioner promulgates a rule extending the time frame.

<u>Proposed law</u> retains <u>present law</u> and provides that the insurer shall also acknowledge receipt of the claim and request from the insured any items, statements, and forms that the insurer reasonably believes, at that time, will be required from the insured within 30 days after notification of loss by the insured, unless the commissioner promulgates a rule extending the time frame.

<u>Proposed law</u> provides that if the acknowledgment of receipt of a claim is not made in writing, the insurer shall make a record of the date, manner, and content of the acknowledgment.

<u>Proposed law</u> provides that an insurer may make additional requests for information if during the investigation of the claim the additional requests are necessary.

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<u>Proposed law</u> provides that an insurer shall accept or reject a claim within 15 business days of receiving any items, statements, and forms required by the insurer to secure satisfactory proof of loss.

<u>Proposed law</u> provides that if an insurer is unable to accept or reject a claim within 15 business days after receiving the items, statements, and forms required by the insurer, the insurer, within the same time period, shall notify the insured of the reasons that the insurer needs additional time to assess the claim. The insurer shall thereafter accept or reject the claim no later than 30 days after receiving the items, statements, and forms required by the insurer.

<u>Present law</u> provides that all insurers shall make a written offer to settle any property damage claim within 30 days after receipt of satisfactory proof of loss.

<u>Proposed law</u> provides that insurers shall make a written offer to settle, in whole or in part, within 30 days after receipt of satisfactory proof of loss.

(Amends R.S. 22:1892(A)(1), (3), and (4))

Summary of Amendments Adopted by House

- The Committee Amendments Proposed by <u>House Committee on Insurance</u> to the <u>original</u> bill:
- 1. Change the term "claimant" to "insured" throughout <u>present</u> and <u>proposed law</u>.
- 2. Specify that an insurer shall accept or reject a claim within 15 business days of receiving any items, statements, and forms required by the insurer to determine satisfactory proof of loss.