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DIGEST

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SB 163 Reengrossed

2022 Regular Session

Talbot

Proposed law requires the commissioner to promulgate certain rules and regulations relative to a catastrophe claim process disclosure form that includes but is not limited to the following:

- (1) An explanation of the claims process and the manner through which the insurer should communicate with the insured, subject to the terms and conditions of the insurance policy.
- (2) An explanation of the supplemental claim process and the manner through which the insurer should communicate with the insured, subject to the terms and conditions of the insurance policy.
- (3) An explanation of the methodology used to calculate the percentage of the insured value of the property applicable to the insured's hurricane, named storm, wind, and hail deductibles.
- (4) An explanation of the difference between the actual cash valuation and the replacement cost valuation.
- (5) The rights and protections a policyholder has under state law.
- (6) An explanation of the duties a policyholder has in order to settle an insurance claim.
- (7) An explanation of the items necessary to properly document an insurance claim.
- (8) An explanation of the procedure for filing a complaint with the department.
- (9) A statement that informs the policyholder that if he files a claim for damage to a property subject to a mortgage, he may be required to notify the lender or mortgage servicer of the claims.
- (10) A statement that informs the policyholder that if he receives proceeds from an insurance settlement for damage to a property subject to a mortgage, the policyholder may be required to contact the lender or mortgage servicer, as the lender or mortgage servicer may be a named payee whose endorsement may be required prior to depositing the insurance proceeds.
- (11) An explanation of the procedure for filing a complaint with the Office of Financial Institutions.
- (12) The process for utilizing the Hurricane Mediation Program if there is a disputed residential property insurance claim for property damage.

Proposed law provides that if the governor declares a state of emergency, insurers settling property insurance claims that arise out of a state of emergency shall send to a policyholder filing a property damage claim, the catastrophe claim process disclosure form.

Proposed law provides that the insurer shall send the disclosure form to the policyholder no later than the date of the initial investigation of the claim by an adjuster.

Proposed law provides that the disclosure form may be sent by U.S. mail, electronic delivery, or hand delivery.

Proposed law provides that nothing in proposed law shall be construed to provide a policyholder with a civil cause of action.

Effective on Jan.1, 2023.

(Add R.S. 22:1897)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original bill

1. Add an explanation letting the policyholder know that if he has a mortgage loan, and the policyholder files an insurance claim for damages that the policyholder needs to immediately notify the lender or mortgage servicer that he filed a claim.
2. Add an explanation letting the policyholder know that if the policy owner receives an insurance settlement check and the policyholder has a mortgage loan that he may need to contact the lender or mortgage servicer because the lender or mortgage servicer will need to endorse the check in order to receive funds.
3. Add a process for the policyholder to file a complaint with the Office of Financial Institutions if there is any dissatisfaction with how the lender or mortgage servicer handled the disbursement of fund.

Senate Floor Amendments to engrossed bill

1. Adds an explanation on how the insurer should communicate with the insured.
2. Adds an explanation on how the insurer should communicate with the insured.
3. Makes a technical change.
4. Adds the process on how an insured can utilize the Hurricane Mediation Program when there is a disputed residential property insurance claim for property damage.

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the reengrossed bill:

1. Make technical changes.