

2022 Regular Session

HOUSE BILL NO. 831

BY REPRESENTATIVE FIRMENT

INSURANCE/HOMEOWNERS: Provides for additional living expense coverage

1 AN ACT

2 To enact R.S. 22:1338, relative to additional living expense coverage for homeowner's
3 insurance; to provide for an advance payment in the event of a total loss; to provide
4 for payment after the advance period; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 22:1338 is hereby enacted to read as follows:

7 §1338. Additional living expense coverage; total loss

8 A. In the event of a total loss to an insured dwelling caused by a peril, if the
9 insured has additional living expense coverage, the insurer shall, upon request by the
10 insured, render an advance payment equal to the estimated value of three months of
11 increased cost of living expenses, as defined in the policy, required for the members
12 of the household to maintain their normal standard of living. Further payments of
13 additional living expense coverage, after the advance period, shall be payable upon
14 submission of satisfactory proof of loss, if it is determined that the actual cost of
15 incurred additional living expenses exceeds the amount previously advanced.

16 B. Nothing in this Section shall be interpreted to prohibit an insurer from
17 restricting payment in cases of suspected fraud.

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 831 Reengrossed

2022 Regular Session

Firmment

Abstract: Provides for additional living expense coverage for homeowner's insurance.

Proposed law provides that in the event of a covered total loss to an insured dwelling caused by a covered peril, if the insured has additional living expense coverage, the insurer shall, upon request by an insured, render an advance payment equal to the estimated value of 3 months of increased cost of living expenses, as defined in the policy, required for the members of the household to maintain their normal standard of living.

Proposed law provides that payments of additional living expense coverage, after the advance period, shall be payable upon submission of satisfactory proof of loss, if it is determined that the actual cost of incurred additional living expenses exceeds the amount previously advanced.

Proposed law provides that an insurer may restrict payment in cases of suspected fraud.

(Adds R.S. 22:1338)

Summary of Amendments Adopted by House

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

1. Specify that for the provisions of proposed law to apply, the total loss must be covered by the policy and caused by a peril covered by the policy.
2. Change the advance payment amount of additional living expense coverage from no less than three months of such coverage to an amount equal to the estimated value of three months of increased cost of living expenses required for the members of the household to maintain their normal standard of living.
3. Specify that further payments of additional living expense coverage shall be payable upon submission of satisfactory proof of loss, if it is determined that the actual cost of incurred additional living expenses exceed the amount advanced.
4. Provide that insurers may restrict advance payments in cases of suspected fraud.

The House Floor Amendments to the engrossed bill:

1. Specify that cost of living expenses as referenced in proposed law are relative to how those expenses are defined in the insurance policy.
2. Make technical changes.