
DIGEST

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HB 856 Engrossed

2022 Regular Session

Geymann

Abstract: Provides for an appraisal clause in residential property insurance policies.

Present law provides that beginning Jan. 1, 2022, residential property insurance policies shall contain a provision that outlines a process whereby the amount of a loss may be set through appraisal, if an insurer and insured do not agree on the amount of the loss and the insurer or insured makes a demand for such.

Proposed law changes the date that the appraisal provision shall begin to be included in residential property insurance policies from Jan. 1, 2022 to July 1, 2022.

Present law provides that the appraisal provision shall provide that if an insured files a lawsuit against an insurer, relative to a residential property insurance policy, prior to a demand for appraisal, the lawsuit will be held in abatement until the execution of an appraisal award.

Proposed law amends the appraisal provision to provide that if an insured files a lawsuit relative to his policy prior to a demand for appraisal, the lawsuit will be held in abatement during the period between a timely demand for appraisal and the deadline for execution of an appraisal award.

Proposed law amends the appraisal provision to provide that the court of record in which the property is located may enforce the deadlines in the appraisal clause, set a reasonable deadline for timely demanding appraisal after all parties have filed pleadings, and require compliance with discovery and disclosure obligations relative to aspects of the lawsuit unrelated to the appraisal.

Effective July 1, 2022.

(Amends R.S. 22:1892(G))

Summary of Amendments Adopted by House

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

1. Amend the appraisal provision to provide that if an insured files a lawsuit relative to his policy prior to a demand for appraisal, the lawsuit will be held in abatement during the period between a timely demand for appraisal and the deadline for execution of an appraisal award.

2. Amend the appraisal provision to provide that the court of record in which the property is located may enforce the deadlines in the appraisal clause, set a reasonable deadline for timely demanding appraisal after all parties have filed pleadings, and require compliance with discovery and disclosure obligations relative to aspects of the lawsuit unrelated to the appraisal.
3. Make technical changes.