

GREEN SHEET REDIGEST

HB 936

2022 Regular Session

Huval

INSURERS: Provides for the payment and adjustment of claims

DIGEST

Present law 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.

Proposed law 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.

Present law 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.

Proposed law changes the time frame in present law from 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 the insurer is required to send acknowledgment of receipt to the insured either by US mail, electronic delivery, or hand delivery, 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 proposed law.

Present law 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.

Proposed law retains present law 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.

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

Proposed law provides that an insurer shall accept or reject a claim within 15 business days of receiving all items, statements, and forms required by the insurer to secure satisfactory proof of loss, except in the case a presidential or gubernatorial disaster has been declared, the insurer shall accept or reject a claim in whole or in part within 30 business days.

Proposed law provides that if an insurer is unable to accept or reject a claim within 15 business days or within 30 business days for a presidential or gubernatorial disaster was declared after receiving all 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 in whole or in part no later than 30 business days from the date the insurer notified the insured the reasons the insurer needs extra time.

Present law 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.

Proposed law 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 House Committee on Insurance to the original bill:

1. Change the term "claimant" to "insured" throughout present and proposed law.
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.

Summary of Amendments Adopted by Senate

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

1. Makes technical changes.
2. Requires insurers send an insured acknowledgment of receipt.
3. Adds an exception on the days if a presidential or gubernatorial disaster has been declared.
4. Adds insurers can accept or reject a claim in whole or in part 30 business days after providing insured reasons additional time is needed.