AN ACT

To amend and reenact R.S. 51:451(A) and to enact R.S. 37:2175.3(A)(12) through (14) and R.S. 51:452, relative to property insurance; to prohibit contractors from engaging in certain acts related to an insured's property insurance claim; to prohibit sellers of goods and services from assisting in paying an insured's deductible; to provide contract language advising insureds of their duty to pay their property insurance deductible; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 37:2175.3(A)(12) through (14) is hereby enacted to read as follows:

§2175.3. Home improvement contracting; prohibited acts; violations

A. The following acts are prohibited by persons performing home improvement contracting services:

* * *

(12) Interpreting insurance policy provisions regarding coverage or duties under an insured's property insurance policy. A contractor shall be considered to have violated the provisions of this Paragraph if a person working on behalf of the contractor including but not limited to a compensated employee or a nonemployee who is compensated by the contractor violates the provisions of this Paragraph.

(13) Adjusting a property insurance claim on behalf of an insured as an adjuster, as defined in R.S. 22:1661. A contractor shall be considered to have violated the provisions of this Paragraph if a person working on behalf of the
contractor including but not limited to a compensated employee or a nonemployee who is compensated by the contractor violates the provisions of this Paragraph.

(14) Providing an insured with an agreement authorizing repairs without providing a good faith estimate of the itemized and detailed costs of services and materials for repairs undertaken pursuant to a property damage claim. A contractor shall be considered to have violated the provisions of this Paragraph if a person working on behalf of the contractor including but not limited to a compensated employee or a nonemployee who is compensated by the contractor violates the provisions of this Paragraph. A contractor does not violate this Paragraph if, as a result of the insurer adjusting a claim, the actual cost of repairs differs from the initial estimate.

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Section 2. R.S. 51:451(A) is hereby amended and reenacted and R.S. 51:452 is hereby enacted to read as follows:

§451. Payments and rebates charged against insurance deductibles; sellers of goods or services prohibited

A. No person selling or engaged in the sale of goods or services shall:

(1) Advertise or promise to provide goods or services. Provide goods or services or advertise or promise to provide goods or services to an insured in a transaction in which the goods or services will be paid for by the insured from the proceeds of the property insurance claim and, without the insurer's consent, the person selling the goods or services agrees to do any of the following:

(a) Pay, waive, absorb, or otherwise decline to charge or collect the amount of the insured's deductible.

(b) Provide a rebate in connection with the sale of the goods or services that will offset all or part of the amount paid by the insured as a deductible.

(c) In any manner, assist the insured in avoiding monetary payment of the insured's deductible.
(2) Offer to pay, pay, or rebate all or part of any insurance deductible, under
a property or casualty insurance policy, to a consumer as part of any arrangement for
goods and services paid for by the consumer from proceeds of a property or casualty
insurance policy.

(3) Charge an amount, for such goods or services, that exceeds the usual and
customary charge by an amount equal to or greater than all or part of the applicable
insurance deductible paid.

§452. Contract paid with insurance policy proceeds; notice required

A contract to provide goods or services that is reasonably expected to be paid
wholly or partly with the proceeds from a claim under a property insurance policy
and has a contract price of one thousand dollars or more shall contain the following
notice in at least twelve-point boldfaced type: "Louisiana law requires a person
insured under a property insurance policy to pay any deductible applicable to a claim
made under the policy. It is a violation of Louisiana law for a seller of goods or
services who reasonably expects to be paid wholly or partly from the proceeds of a
property insurance claim to knowingly allow the insured person to fail to pay, or
assist in the insured person's failure to pay the applicable insurance deductible."

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 539 Reengrossed 2022 Regular Session Firment

Abstract: Provides for property insurance policies.

Present law prohibits persons performing home improvement contracting from engaging in
certain acts.

Proposed law retains present law and prohibits persons performing home improvement
contracting from engaging in the following acts:

(1) Interpreting insurance policy provisions regarding coverage or duties under an
insured's property insurance policy.

(2) Adjusting a property insurance claim on behalf of an insured.

CODING: Words in struck through type are deletions from existing law; words underscored
are additions.
(3) Providing an insured with an agreement authorizing repairs without providing a good faith estimate of the itemized and detailed cost of services and materials for repairs undertaken pursuant to a property damage claim.

Present law provides that no person selling or engaging in the sale of goods or services shall advertise or promise to provide goods or services or offer to pay, pay, or rebate any part of an insurance deductible as part of an arrangement for goods and services paid for with proceeds from an insurance policy.

Proposed law repeals present law and provides that no person selling or engaging in the sale of goods or services shall provide a good or service or advertise or promise to provide goods or services to an insured in a transaction in which the good or service will be paid for with proceeds of a property insurance claim and the person selling the good or service, without the insurer's consent, will do any of the following:

1. Pay, waive, absorb, or otherwise decline to charge or collect the amount of the insured's deductible.

2. Provide a rebate in connection with the sale of a good or service that will offset all or part of the amount paid by the insured as a deductible.

3. In any manner, assist the insured in avoiding monetary payment of the required insurance deductible.

Proposed law provides language for a notice that shall be included in contracts to provide a good or service that is reasonably expected to be paid with proceeds from a claim under an insurance policy.

(Amends R.S. 51:451(A); Adds R.S. 37:2175.3(A)(12)-(14) and R.S. 51:452)

Summary of Amendments Adopted by House

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

1. Remove provisions of proposed law regarding the adjustment and settlement of first-party loss based on repair or replacement costs.

2. Provide that a violation of proposed law (R.S. 37:2175.3(A)(12) and (13)) shall be considered an unfair trade practice and provides the penalties for violation of proposed law.

3. Remove an exception from proposed law (R.S. 37:2175.3(A)(13)) for contractors who have a public adjuster license.

4. Make technical changes.

The House Floor Amendments to the engrossed bill:

1. Restore present law (R.S. 22:1964 and R.S. 37:2175.3(B)).

2. Provide that persons performing home improvement contracting services shall not interpret insurance policy provisions regarding coverage or duties under an insured's property insurance policy.

3. Provide that persons performing home improvement contracting services shall not adjust a property insurance claim on behalf of an insured as an adjuster, as defined in present law (R.S. 22:1661).

CODING: Words in struck through type are deletions from existing law; words underscored are additions.
4. Provide that persons selling or engaging in the sale of goods or services shall not provide a rebate in connection with the sale of the goods or services that will offset the amount paid by the insured as a deductible, if the goods or services are paid with proceeds of a property insurance claim and the person does not have consent to do such from the insurer.

5. Make technical changes.