

GREEN SHEET REDIGEST

HB 539

2022 Regular Session

Firment

INSURANCE/POLICIES: Provides for property insurance policies.

DIGEST

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

Proposed law retains present law and prohibits persons or companies 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.
- (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.
- (4) Sharing legal fees earned by a lawyer.
- (5) Requiring an insured from signing an attorney representation agreement.
- (6) Accepting fees, commissions, or other valuable considerations in exchange for a referral by the person or company to an attorney or law firm.

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)-(17) 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).
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.

Summary of Amendments Adopted by Senate

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

1. Makes technical changes.
2. Prohibits persons or companies from sharing any legal fees earned by a lawyer.
3. Prohibits persons or companies from requiring an insured from signing an attorney representation agreement.
4. Prohibits persons or companies from accepting fees, commissions, or other valuable considerations in exchange for an attorney referral.