

HOUSE SUMMARY OF SENATE AMENDMENTS**HB 539****2022 Regular Session****Firment**

INSURANCE/POLICIES: Provides for property insurance policies

Synopsis of Senate Amendments

1. Provides that the prohibition on certain acts for persons performing home improvement contracting services in present law also applies to companies performing home improvement contracting services.
2. Prohibits persons and companies performing home improvement contracting services from sharing in any legal fee earned by an attorney.
3. Prohibits persons and companies performing home improvement contracting services from requiring an insured to sign an attorney representation agreement on behalf of an attorney.
4. Prohibits persons and companies performing home improvement contracting services from accepting a fee, commission, or other valuable consideration in exchange for a referral to an attorney or law firm.
5. Prohibits persons and companies performing home improvement contracting services from accepting an assignment of any rights, benefits, proceeds, or causes of action of an insured prior to completing the work described in the contract and the insurer conducting its initial examination of the damage.

Digest of Bill as Finally Passed by Senate

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

Proposed law retains present law, applies the prohibition to companies performing home improvement contracting services, and prohibits persons or companies performing home improvement contracting services 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.
- (7) Accepting an assignment of any rights, benefits, proceeds, or causes of action of an insured prior to completing the work described in the contract and the insurer conducting its initial examination of the damage.

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)-(18) and R.S. 51:452)