

2022 Regular Session

HOUSE BILL NO. 539

BY REPRESENTATIVE FIRMENT

1 AN ACT

2 To amend and reenact R.S. 51:451(A) and to enact R.S. 37:2175.3(A)(12) through (18) and  
3 R.S. 51:452, relative to property insurance; to prohibit contractors from engaging in  
4 certain acts related to an insured's property insurance claim; to prohibit sellers of  
5 goods and services from assisting in paying an insured's deductible; to provide  
6 contract language advising insureds of their duty to pay their property insurance  
7 deductible; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 37:2175.3(A)(12) through (18) are hereby enacted to read as follows:

10 §2175.3. Home improvement contracting; prohibited acts; violations

11 A. The following acts are prohibited by persons or companies performing  
12 home improvement contracting services:

13 \* \* \*

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

19 (13) Adjusting a property insurance claim on behalf of an insured as an  
20 adjuster, as defined in R.S. 22:1661. A contractor shall be considered to have  
21 violated the provisions of this Paragraph if a person working on behalf of the

1 contractor including but not limited to a compensated employee or a nonemployee  
2 who is compensated by the contractor violates the provisions of this Paragraph.

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

12 (15) Sharing in any legal fee earned by an attorney.

13 (16) Requiring an insured to sign an attorney representation agreement on  
14 behalf of an attorney.

15 (17) Accepting a fee, commission, or other valuable consideration, regardless  
16 of form or amount, in exchange for a referral by the person or company to an  
17 attorney or law firm.

18 (18)(a) Accepting an assignment of any rights, benefits, proceeds, or causes  
19 of action of an insured under a property insurance policy prior to completing the  
20 work described in the home improvement contract and the property insurer  
21 conducting its initial examination of the damage caused by the covered peril. The  
22 assignment of any rights, benefits, proceeds, or causes of action shall be limited to  
23 the scope of work and fees provided in the home improvement contract, which shall  
24 comply with the provisions of R.S. 37:2175.1.

25 (b) For the purposes of this Paragraph, home improvement contracting  
26 services shall include temporary repair, mitigation, reconstruction, or other repair of  
27 damage caused by a peril covered under a first-party property insurance policy.



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

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_