AN ACT

To amend and reenact R.S. 51:451(A) and to enact R.S. 37:2175.3(A)(12) through (18) 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 (18) are hereby enacted to read as follows:
§2175.3. Home improvement contracting; prohibited acts; violations

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

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(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

CODING: Words in struck through type are deletions from existing law; words underscored are additions.
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.

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

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

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

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

(b) For the purposes of this Paragraph, home improvement contracting services shall include temporary repair, mitigation, reconstruction, or other repair of damage caused by a peril covered under a first-party property insurance policy.
(c) The provisions of this Paragraph shall not be interpreted to limit the right of a person performing home improvement contracting services to perfect an otherwise valid lien on the property, as provided by law.

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 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."

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: ________________