2022 Regular Session

HOUSE BILL NO. 856

BY REPRESENTATIVE GEYMANN

1   AN ACT

2   To amend and reenact R.S. 22:1892(G), relative to the appraisal clause required in all

3   residential property insurance policies; to provide notice that lawsuits regarding a

4   policy will be held in abatement in certain circumstances; to provide for the courts'

5   discretion in setting a deadline for timely demanding appraisal; to provide for

6   enforcement; to provide for effectiveness; and to provide for related matters.

7   Be it enacted by the Legislature of Louisiana:

8   Section 1. R.S. 22:1892(G) is hereby amended and reenacted to read as follows:

9   §1892. Payment and adjustment of claims, policies other than life and health and

10   accident; vehicle damage claims; extension of time to respond to claims

11   during emergency or disaster; penalties; arson-related claims suspension

12   *   *   *

13   G. ~~On or after January 1, 2022, residential~~ Residential property insurance

14   policies shall contain the following provision, ~~(~~with permission to substitute the

15   words "this company" with a more accurate descriptive term for the insurer~~)~~:

16   "Appraisal. If you and this Company fail to agree as to the amount of loss,

17   either party may demand that the amount of the loss be set by appraisal. If either

18   party makes a written demand for appraisal, each party shall select a competent

19   appraiser and notify the other party of their appraiser's identity within twenty days

20   of receipt of the written demand for appraisal. The appraisers shall select a

21   competent and impartial umpire.~~, but, if~~ If after fifteen days the appraisers have not

22   agreed upon who will serve as umpire, the umpire shall be appointed by a judge of

23   the court of record in which the property is located. The appraisers shall ~~then~~

24   appraise the loss. If the appraisers submit written notice of an agreement as to the

25   amount of the loss to this Company, the amount agreed upon shall set the amount of

1   the loss. If the appraisers fail to agree within thirty days, the appraisers shall submit

2   their differences along with any supporting documentation to the umpire, who ~~must~~

3   shall appraise the loss. The appraisers may extend the time to sixty days for which

4   they shall agree upon the amount of loss or submit their differences and supporting

5   documents to the umpire, if the extension is agreed to by the appraisers from both

6   parties. A written agreement signed by the umpire and either party's appraiser shall

7   set the amount of the loss, pursuant to the appraisal process, but shall not preclude

8   either party from exercising its rights under the policy or the law. Each appraiser

9   shall be paid by the party selecting that appraiser. Other expenses of the appraisal

10   and the expenses of the umpire shall be divided and paid in equal shares by you and

11   this Company. If there is an appraisal award, all applicable policy terms, limits,

12   deductibles, and conditions ~~will still~~ shall apply. If you file a lawsuit relative to this

13   policy against this Company prior to a demand for appraisal, the lawsuit will be held

14   in abatement ~~until the execution of an appraisal award~~ during the period between a

15   timely demand for appraisal and the deadline for execution of an appraisal award,

16   pursuant to this clause. The court of record in which the property is located may

17   enforce the deadlines of this clause, set a reasonable deadline for timely demanding

18   appraisal after all parties have filed pleadings in a lawsuit, and require compliance

19   with discovery and disclosure obligations relative to aspects of the lawsuit unrelated

20   to the appraisal."

21   Section 2. This Act shall become effective January 1, 2023.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

_____
PRESIDENT OF THE SENATE

_____
GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____

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