

## RÉSUMÉ DIGEST

ACT 734 (HB 539)

2022 Regular Session

Firment

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

New law retains existing law and applies the prohibition in existing law to companies performing home improvement contracting services.

New law 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 costs of services and materials for repairs undertaken pursuant to a property damage claim.
- (4) Sharing in legal fees earned by an attorney.
- (5) Requiring an insured to sign an attorney representation agreement on behalf of an attorney.
- (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 under a property insurance policy prior to completing the work described in the contract and the insurer conducting its initial examination of the damage.

Prior law provided that persons selling or engaging in the sale of goods or services shall not 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.

New law repeals prior 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, if the person selling the good or service, without the insurer's consent, agrees to 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.

New law provides a notice that shall be included in contracts to provide goods or services that is reasonably expected to be paid with proceeds from a claim under an insurance policy and has a contract price of \$1,000 or more.

Effective August 1, 2022.

(Amends R.S. 51:451(A); Adds R.S. 37:2175.3(A)(12)-(18) and R.S. 51:452)