

2023 Regular Session

HOUSE BILL NO. 183

BY REPRESENTATIVE FIRMENT

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

INSURANCE: Prohibits the assignment of certain benefits

1 AN ACT

2 To enact R.S. 22:1274, relative to the assignment of benefits; to prohibit the assignment of
3 certain benefits; to provide for enforceability; to provide for penalties; to provide for
4 exceptions; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 22:1274 is hereby enacted to read as follows:

7 §1274. Assignment of benefits; prohibited

8 A.(1) A person shall not shall solicit or accept an assignment, in whole or in
9 part, of any post-loss insurance benefit under a residential or commercial property
10 insurance policy. An attempt to assign post-loss property insurance benefits under
11 such a policy is against public policy and is null and void.

12 (2) The provisions of Paragraph (1) of this Subsection do not apply to any
13 of the following:

14 (a) An assignment, transfer, pledge, or conveyance granted to a federally
15 insured financial institution, mortgagee, or a subsequent purchaser of the property
16 with an insurable interest in the property following a loss.

17 (b) A mandate, as defined in Civil Code Article 2989, that grants to a
18 management company, family member, guardian, or similarly situated person of an
19 insured the authority to act on behalf of the insured as it relates to a property
20 insurance claim.

1 (c) Liability coverage under a residential or commercial property insurance
2 policy.

3 B. Violation of Subsection A of this Section is considered an unfair or
4 deceptive trade practice. Any person found to have violated the provisions of
5 Subsection A of this Section is subject to the penalties imposed by R.S. 22:1969.

6 C. The provisions of Civil Code Article 2653 do not apply to this Section.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 183 Engrossed

2023 Regular Session

Firment

Abstract: Prohibits the assignment of post-loss insurance benefits for any residential or commercial insurance property.

Proposed law provides that a person shall not solicit or accept an assignment of any post-loss insurance benefits under a residential property insurance policy, which is a policy that insures an insureds home and personal items, or a commercial property insurance policy, which is a policy that insures an individual's business, LLC, or corporation property that is lost, stolen, or damaged.

Proposed law provides that any attempt to assign commercial or residential property insurance policy is against public policy, unenforceable, and null and void.

Proposed law provides that this prohibition of assignment of post-loss insurance benefits do not apply to:

- (1) An assignment, transfer, pledge, or conveyance granted to a federally insured financial institution, mortgagee, or a subsequent purchaser of the property with an insurable interest in the property following a loss.
- (2) A mandate that grants to a management company, family member, guardian, or similarly situated person of an insured the authority to act on behalf of the insured as it relates to a property insurance claim.
- (3) Liability coverage under a residential or commercial property insurance policy.

Proposed law provides that present law (C.C. Art. 2653) relative to the assignability of rights does not apply to proposed law.

Proposed law provides that any violation of this provision of law are considered an unfair or deceptive trade practice. Proposed law further provides that any person found to have violated this provision of law will be subject to penalties.

(Adds R.S. 22:1274)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Expand the exemptions to the prohibition of the assignment of post-loss insurance benefits.
2. Make technical changes.