

2023 Regular Session

SENATE BILL NO. 190

BY SENATOR SMITH

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

CONTRACTORS. Provides relative to certain payments for home improvement contracting services. (8/1/23)

1 AN ACT

2 To amend and reenact R.S. 37:2159.1(A)(7)(a), relative to home improvement contracting;
3 to prohibit contractors from engaging in certain acts related to an insured's property
4 insurance claim; to provide relative to the assignment of any rights, benefits,
5 proceeds, or causes of action of an insured; to provide for terms, requirements, and
6 conditions; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 37:2159.1(A)(7)(a) is hereby amended and reenacted to read as
9 follows:

10 §2159.1. Home improvement contracting; prohibited acts; property insurance

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

13 * * *

14 (7)(a) Accepting an assignment of any rights, benefits, proceeds, or causes
15 of action of an insured under a property insurance policy prior to completing the
16 work described in the home improvement contract and the property insurer
17 conducting its initial examination of the damage caused by the covered peril. The

1 assignment of any rights, benefits, proceeds, or causes of action shall be limited to
 2 the scope of work and fees provided in the home improvement contract, which shall
 3 comply with the provisions of R.S. 37:2159.1. **Prior to any payment to a person**
 4 **or company performing home improvement contracting services by the**
 5 **property insurer pursuant to an assignment of any rights, benefits, proceeds, or**
 6 **causes of action, the insured shall approve of the payment in writing.**

7 * * *

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Xavier I. Alexander.

DIGEST

SB 190 Engrossed

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Smith

Present law provides that a home improvement contractor is prohibited from accepting any assignment of any rights, benefits, proceeds, or causes of action of an insured under a property insurance policy prior to completing the work. Present law further provides that the assignment of any right, benefits, proceeds, or causes of action shall be limited to the scope of work and fees provided in the contract.

Proposed law retains present law and further provides that the insured shall approve of the payments in writing that are made by the property insurer to the home improvement contractor pursuant to an assignment of any rights, benefits, proceeds, or causes of action.

Effective August 1, 2023.

(Amends R.S. 37:2159.1(A)(7)(a))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the original bill

1. Make technical changes.