
DIGEST

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HB 183 Reengrossed

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 insured's 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) 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 proposed law is 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.

Proposed law provides that nothing in proposed law shall be interpreted to prohibit an attorney from collecting a contingency fee for an action related to a property insurance claim.

Present law prohibits persons performing home improvement contracting services from accepting an assignment of any right, benefit, proceed, or cause of action of an insured before completing the work described in the contract.

Proposed law repeals present law.

(Adds R.S. 22:1274; Repeals R.S. 37:2159.1(7))

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.

The House Floor Amendments to the engrossed bill:

1. Delete proposed law that provides that proposed law does not apply to 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.
2. Clarify that nothing in proposed law shall be interpreted to prohibit an attorney from collecting a contingency fee for an action related to a property insurance claim.
3. Repeal present law relative to the assignment of benefits for home improvement contracting.
4. Make technical changes.