
DIGEST

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HB 510 Original

2024 Regular Session

Glorioso

Abstract: Authorizes mandatory binding arbitration with respect to property insurance under certain circumstances.

Proposed law prohibits an insurer writing property insurance policies from requiring a policyholder to participate in mandatory binding arbitration unless all of the following apply:

- (1) The mandatory binding arbitration requirements are contained in a separate endorsement attached to the property insurance policy.
- (2) The premium charged for the policy includes an actuarially sound credit or premium discount for the mandatory binding arbitration endorsement.
- (3) The policyholder signs a form prescribed by the commissioner electing to accept mandatory binding arbitration, and such form notifies the policyholder of rights forfeited in exchange for the credit or premium discount.
- (4) The endorsement establishes that an insurer will comply with the mediation provisions in present law (R.S. 22:2651 et seq.) before the initiation of arbitration.
- (5) The insurer offers the policyholder a policy that does not require the policyholder to participate in mandatory binding arbitration.

Proposed law authorizes an insurer to require within an endorsement that the arbitration process is in lieu of the appraisal process.

Proposed law requires arbitration to take place in the state of La. at a location within the judicial district in which the insured's premises is located.

Proposed law requires the selected arbitrator to be an attorney licensed to practice in the state of La. Requires the arbitrator to meet the minimum requirements for insurance arbitrators as prescribed by the commissioner.

Proposed law authorizes the arbitrator to issue judgments that include an award of penalties, attorney fees, and any other damages allowed by law.

Proposed law further requires arbitration to be governed by the La. Binding Arbitration Law in

present law (R.S. 9:4201 et seq.).

(Adds R.S. 22:1892.2)