

---

## 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 609 Original

2024 Regular Session

Firment

**Abstract:** Provides for the employment of umpires in the appraisal process.

Present law authorizes appraisals of property and authorizes the commissioner of insurance (commissioner) to collect fees from appraisers.

Proposed law retains present law and further authorizes the commissioner to collect fees from umpires employed in an appraisal process.

Present law employs a requisite form for standard fire insurance policies within the state of La.

Proposed law retains present law but requires the commissioner to select an umpire to assist in the appraisal process of a fire insurance claim in certain circumstances.

Present law prohibits a person from purporting to be an appraiser unless he is registered with the commissioner on a form prescribed by the commissioner and has paid the required fees. Further requires an appraiser to renew registration on an annual basis.

Proposed law extends present law to umpires and otherwise retains present law.

Present law authorizes the commissioner to enforce present law. Authorizes the commissioner to order a person to cease and desist from committing violations or acting as an appraiser. Further authorizes the commissioner to rescind the registration of any person who violates present and proposed law.

Proposed law extends present law to umpires and otherwise retains present law.

Proposed law defines "appraiser", "claimant", "good cause", "immediate family", "party", "umpire", and "umpire selection panel".

Proposed law requires an appraisal process under the following conditions:

- (1) An insurer has accepted coverage for a claim, in full or in part.
- (2) The claimant and insurer have a dispute as to the amount of loss the insurer will pay for the accepted portion of the claim under the policy.

- (3) The policy is issued, delivered, or renewed in this state.
- (4) The property that is the subject of the claim is located in this state or the dispute is subject to jurisdiction in this state.
- (5) The claimant or insurer demands an appraisal process.

Proposed law requires the insurer and claimant to each select an appraiser upon a demand for appraisal. Further requires respective appraisers to select an umpire if the appraisers are unable to agree on the amount of loss.

Proposed law authorizes the commissioner or a judge to select an umpire if the appraisers are unable to agree on an umpire.

Proposed law requires appraisers to meet both of the following criteria:

- (1) Have at least 3 years of experience in the profession in which he is licensed.
- (2) Have experience or training in estimating property damage.

Proposed law requires appraisers to meet at least one of the following criteria:

- (1) Be a licensed professional engineer.
- (2) Be a licensed architect.
- (3) Be a licensed adjuster.
- (4) Be a licensed public adjuster.
- (5) Be a licensed general contractor.

Proposed law provides for conflicts of interest and obligates an appraiser to notify the parties of any potential conflicts of interest.

Proposed law provides a registration process for interested appraisers. Further outlines the information for applicants to provide to the commissioner for registration.

Proposed law requires the commissioner to publish a list of appraisers on the Dept. of Insurance's website. Further provides for the list to contain the names, contact information, preferred types of claims, and preferred geographic areas of each appraiser.

Proposed law requires an appraiser to do all of the following:

- (1) Consider all information provided by the parties and any other reasonably available evidence

material to the claim.

- (2) Carefully decide all issues submitted for determination regarding the amount of loss.
- (3) Give the parties and the other appraiser an itemized written appraisal.
- (4) Conduct the appraisal process to advance the fair and efficient resolution of the matter.

Proposed law prohibits appraisers from doing the following:

- (1) Permitting outside pressure to affect the appraisal.
- (2) Delegating the duty to decide to any other person.
- (3) Communicating with an umpire without including the other party or the other party's appraiser.
- (4) Charging the parties on a contingent fee basis, percentage of the decision, barter arrangement, gift, favor, or in-kind exchange.
- (5) Charging a fee for services if the appraiser withdraws or abandons the appraisal.

Proposed law requires an umpire to be either of the following:

- (1) A qualified appraiser.
- (2) An attorney licensed in the state of La. with experience in first-party property damage litigation.

Proposed law provides relative to conflicts of interest. Further requires an umpire to disclose any potential conflicts of interest.

Proposed law provides for the registration process for interested umpires. Further outlines the information for applicants to provide to the commissioner for registration.

Proposed law requires the commissioner to publish the list of umpires on the Dept. of Insurance's website. Further provides for the list to contain the names, contact information, preferred types of claims, and preferred geographic areas of each umpire.

Proposed law authorizes the commissioner to revoke the registration of an umpire under certain circumstances.

Proposed law authorizes the commissioner or a judge to select an umpire when the appraisers cannot agree.

Proposed law provides for an umpire selection panel.

Proposed law provides the job responsibilities of an umpire, lists prohibited activities, and specifies all prohibited communications.

Proposed law requires each responsible party to pay the following:

- (1) His own appraiser fees and expenses.
- (2) Half of the reasonable and necessary costs incurred for the umpire's fee and expenses.
- (3) Half of any reasonable and necessary costs incurred to conduct the appraisal.

Proposed law prohibits parties from paying an appraiser or umpire on a contingent fee basis, percentage of the decision, barter arrangement, gift, favor, or in-kind exchange.

Proposed law provides for an extension of deadlines in certain circumstances.

Proposed law requires notices, requests, and other items submitted to the commissioner to be hand delivered, mailed, or sent in an otherwise acceptable manner.

Proposed law authorizes an appraiser or party to object to an umpire for good cause shown within 10 days after the party or appraiser receives the selection panel.

Present law requires residential property insurance policies to contain an appraisal clause and provides specific language.

Proposed law retains present law but amends the appraisal clause to require the commissioner to select an umpire to assist in the appraisal process of a residential property insurance claim in certain circumstances.

Proposed law applies to policies of property insurance issued, issued for delivery, or renewed on or after January 1, 2025.

(Amends R.S. 22:821(B)(34)(intro. para.), 1311(F)(2), 1807.1-1807.26, and 1892(G))