
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Beth O'Quin.

DIGEST

SB 323 Original 2024 Regular Session Talbot

Present law provides for payment and adjustment procedures for property damage insurance claims.

Present law provides bad faith penalties for an insurer that fails to comply with present law.

Proposed law retains present law but removes bad faith penalties for an insurer not in compliance with present law, and adds an insurer that is not in compliance with present law is subject to a penalty not to exceed \$5,000.

Present law provides certain procedural requirements if the president or governor declares a state of disaster.

Proposed law defines "catastrophic loss", "immovable property", and "residential property".

Proposed law provides property damage insurance claims are subject to a two year liberative prescription period.

Present law provides an exemption from class actions and penalties awarded pursuant to present law for the Louisiana Insurance Guaranty Association and Louisiana Citizens Property Insurance Corporation.

Proposed law retains present law and adds an exemption for the Louisiana Insurance Guaranty Association from any liability for any special damages provided for pursuant to the proposed law.

Proposed law provides an insurer owes to his insured a duty of good faith and fair dealing.

Proposed law provides an insurer breaches its good faith and fair dealing by any of the following acts:

- (1) Misrepresenting pertinent facts or insurance policy provisions relating to any coverages at issue.
- (2) Failing to pay a settlement within thirty days after an agreement is reduced to writing.
- (3) Denying coverage or attempting to settle a claim on the basis of an application which the insurer knows was altered without notice to, or knowledge or consent of, the insured.
- (4) Misleading a claimant as to the applicable prescriptive period.

(5) Failing to pay claims when the failure is arbitrary, capricious, or without probable cause.

Proposed law provides the insured, claimant, and representatives of the insured or claimant have a duty of good faith and fair dealing.

Proposed law provides that if a trier of fact determines the insured, claimant, or representatives of the insured or claimant breach their duty of good faith and fair dealing, the insured or claimant is not entitled to recover any penalties or attorney fees.

Proposed law does not apply to surety bonds or health and accident policies.

Proposed law provides for an insurer acting in good faith and fair dealing and provides the insurer is subject to penalties for violating proposed law.

Proposed law provides procedures for catastrophic losses to residential property.

Proposed law provides procedures for catastrophic losses to immovable property.

Proposed law provides penalties for an insurer that fails to comply with proposed law.

Proposed law provides the commissioner may promulgate rules and regulations for expedited claims process in the event of a catastrophe.

Effective August 1, 2024.

(Amends R.S. 22:1892(A)(3) and (4), (B)(1), and (H); adds R.S. 22:1892(A)(7), (B)(7), (I), (J), and (K) and 1892.2; repeals R.S. 22:1973)