

Regular Session, 2014

SENATE BILL NO. 135

BY SENATOR LONG

PROPERTY INSURANCE. Provides for home service contracts. (8/1/14)

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AN ACT

To amend and reenact R.S. 22:1806.3(A)(3) and to enact R.S. 22:1806.3(A)(4), relative to home service contracts; to provide with respect to requirements for doing business; to require solvency; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1806.3(A)(3) is hereby amended and reenacted and R.S. 22:1806.3(A)(4) is hereby enacted to read as follows:

§1806.3. Requirements for doing business

A. Home service contracts shall not be issued, sold, or offered for sale in this state unless the provider has done each of the following:

* * *

(3) Provided a financial statement annually to the commissioner showing that the provider is solvent.

(4) Complied with the provisions of this Part.

* * *

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Cheryl Horne.

DIGEST

Long (SB 135)

Present law provides that a home service contract shall not be issued, sold, or offered for sale unless the provider gives a receipt for or other written evidence of the purchase of a home service contract and a copy of the home service contract within a reasonable period of time from date of purchase.

Proposed law retains present law and adds the requirement for an annual financial statement, submitted to the commissioner, showing the solvency of the provider.

Effective August 1, 2014.

(Amends R.S. 22:1806.3(A)(3); adds R.S. 22:1806.3(A)(4))