

2021 Regular Session
HOUSE BILL NO. 585

ACT No. 344

BY REPRESENTATIVE GEYMANN

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AN ACT

To amend and reenact R.S. 22:1892(B)(1) and to enact R.S. 22:1892(A)(5), relative to homeowner's insurance claims settlement practices; to provide for certain claims settlement practices; to provide for penalties for insurers failing to provide timely payment or settlement offers for claims; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1892(B)(1) is hereby amended and reenacted and R.S. 22:1892(A)(5) is hereby enacted to read as follows:

§1892. Payment and adjustment of claims, policies other than life and health and accident; personal vehicle damage claims; extension of time to respond to claims during emergency or disaster; penalties; arson-related claims suspension

A.

* * *

(5) An insurer shall issue a copy of the insurer's field adjuster report, relative to the insured's property damage claim, to the insured within fifteen days of receiving a request for such from the insured.

B.(1)(a) Except as provided in Subparagraph (b) of this Paragraph, failure
~~Failure~~ to make such payment within thirty days after receipt of such satisfactory

1 written proofs and demand therefor or failure to make a written offer to settle any
2 property damage claim, including a third-party claim, within thirty days after receipt
3 of satisfactory proofs of loss of that claim, as provided in Paragraphs (A)(1) and (4)
4 of this Section, respectively, or failure to make such payment within thirty days after
5 written agreement or settlement as provided in Paragraph (A)(2) of this Section when
6 such failure is found to be arbitrary, capricious, or without probable cause, shall
7 subject the insurer to a penalty, in addition to the amount of the loss, of fifty percent
8 damages on the amount found to be due from the insurer to the insured, or one
9 thousand dollars, whichever is greater, payable to the insured, ~~or to any of said~~
10 ~~employees~~, or in the event a partial payment or tender has been made, fifty percent
11 of the difference between the amount paid or tendered and the amount found to be
12 due as well as reasonable attorney fees and costs. Such penalties, if awarded, shall
13 not be used by the insurer in computing either past or prospective loss experience for
14 the purpose of setting rates or making rate filings.

15 (b) In the case of a presidentially or gubernatorially declared disaster, failure
16 to make such payment within thirty days after receipt of such satisfactory written
17 proofs and demand therefor or failure to make a written offer to settle any property
18 damage claim, including a third-party claim, within thirty days after receipt of
19 satisfactory proofs of loss of that claim, as provided in Paragraphs (A)(1) and (4) of
20 this Section, respectively, or failure to make such payment within thirty days after
21 written agreement or settlement as provided in Paragraph (A)(2) of this Section when
22 such failure is found to be arbitrary, capricious, or without probable cause, shall
23 subject the insurer to a penalty, in addition to the amount of the loss, of fifty percent
24 damages on the amount found to be due from the insurer to the insured, or two
25 thousand five hundred dollars, whichever is greater, payable to the insured, or in the
26 event a partial payment or tender has been made, fifty percent of the difference
27 between the amount paid or tendered and the amount found to be due as well as
28 reasonable attorney fees and costs or two thousand five hundred dollars, whichever

1 is greater. The penalties, if awarded, shall not be used by the insurer in computing
2 either past or prospective loss experience for the purpose of setting rates or making
3 rate filings.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____