

Regular Session, 2011

HOUSE BILL NO. 346

BY REPRESENTATIVE WILLMOTT

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

INSURANCE/LIABILITY: Requires insurers to notify claimants of settlement in third-party liability claims

1 AN ACT

2 To enact R.S. 22:1897, relative to liability insurance; to provide for notice of payment by  
3 insurers in third-party liability claims; and to provide for related matters.

4 Be it enacted by the Legislature of Louisiana:

5 Section 1. R.S. 22:1897 is hereby enacted to read as follows:

6 §1897. Written notice of payment in settlement claims

7 A. Upon payment of five thousand dollars or more in settlement of any third-  
8 party liability claim, where the claimant is a natural person and the payor is an  
9 insurance company, the insurer shall cause written notice to be mailed to the  
10 claimant at the same time payment is made by the insurer or its representative to the  
11 claimant's attorney, or to any other representative of the claimant, by draft, check,  
12 or any other method of payment, regardless of whether a lawsuit has been filed.

13 B. The written notice referred to in Subsection A of this Section shall contain  
14 no extraneous language and shall be limited to the following form:

15 "Date:

16 Addressee:

17 Re: (information identifying claim)

18 Dear \_\_\_\_\_:

1        On (date), the undersigned (mailed a check/draft or effectuated an electronic funds  
2        transfer) as payment in (full/partial) settlement of the referenced claim to (claimant  
3        attorney) at the following address: (address). The payment was in the amount of  
4        (\$ \_\_\_\_\_) and was made payable to ("\_\_\_\_\_"). This notice is sent  
5        pursuant to the requirements of Louisiana Revised Statute 22:1897.

6        (Agent signature)

7        cc: (Claimant attorney)"

8                C. Nothing in Subsection A or B of this Section shall create or shall be  
9        construed to create a cause of action for any person or entity, other than for the  
10        Louisiana Department of Insurance, against an insurer based upon failure to provide  
11        such notice, or based upon the defective service of such notice. Nothing in  
12        Subsection A or B of this Section shall establish or shall be construed to establish a  
13        defense for any party to any cause of action based upon a failure by the insurer or its  
14        representative to provide such notice, or based upon the defective service of such  
15        notice.

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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)]

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Willmott

HB No. 346

**Abstract:** Requires liability insurers to notify claimants in third-party liability claims when a settlement in an amount exceeding \$5,000 is sent to the claimant's attorney or other representative.

Present law requires liability insurers to make all claims brought by insureds, worker's compensation claimants, or third parties payable by check or draft of the insurer to the order of the claimant or his attorney.

Proposed law requires liability insurers to notify claimants in third-party liability claims when a settlement exceeding \$5,000 is sent to the claimant's attorney or other representative.

Proposed law requires that the notice to the claimant include information identifying the claim, date payment was made, the amount of the payment, claimant attorney's name and address.

(Adds R.S. 22:1897)