

House Committee on Insurance

Minutes of Meeting
2021 Regular Session
May 4, 2021

I. CALL TO ORDER

Representative Chad Brown, chairman of the House Committee on Insurance, called the meeting to order at 9:32 a.m. in Room 2, in the state capitol in Baton Rouge, Louisiana.

II. ROLL CALL

MEMBERS PRESENT:

Representative Chad Brown, chairman
Representative Mary DuBuisson
Representative Kathy Edmonston
Representative Michael "Gabe" Firment
Representative Lawrence "Larry" Frieman
Representative Cedric B. Glover
Representative Kyle M. Green, Jr.
Representative Mike Huval
Representative John R. Illg, Jr.
Representative Edmond Jordan, vice chairman
Representative Danny McCormick
Representative Matthew Willard

MEMBERS ABSENT:

Representative Paul Hollis
Representative Sherman Q. Mack

STAFF MEMBERS PRESENT:

Rashida Keith, attorney
Adam Patrick, attorney
Alicia Powell, committee administrative assistant

ADDITIONAL ATTENDEES PRESENT:

Angela McKnight, sergeant at arms
Felicie Jackson, executive assistant

III. DISCUSSION OF LEGISLATION

House Bill No. 457 by Representative Firmert

Representative Firmert presented House Bill No. 457, which provides for claims adjusters.

Rodger Smith, Smith Global LLC, 9671 Hwy 84, Winnfield, LA 71483, (318) 446-0784, spoke in support of House Bill No. 457.

Representative Firmert offered amendments to:

- (1) Revise proposed law standards of conduct for claims adjusters;
- (2) Provide that engineers, estimators, and building consultants investigating certain perils are not included in the exemption in present law;
- (3) Remove language suggesting that a claims adjuster who violates the claims adjuster standards of conduct is considered to have violated unfair claim settlement practices law and provide that a claims adjuster who violates the standards of conduct is considered to have committed an unfair trade practice; and
- (4) Make technical changes.

Representative Firmert offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 9 yeas and 0 nays. Representatives Brown, Edmonston, Firmert, Frieman, Huval, Illg, Jordan, McCormick, and Willard voted yea.

Rodney Braxton, State Farm, 543 Spanish Town Rd., Baton Rouge, LA 70802, (225) 806-2522, spoke in opposition to House Bill No. 457.

Kyle Landon Smith, 7231 Hwy 84, Natchitoches, LA 71457, (318) 648-0220, spoke in support of House Bill No. 457.

Jon Schnautz, National Association of Mutual Insurance Companies (NAMIC), 10616 Thoroughbred Dr., Austin, TX 78748, (512) 395-5606, spoke for information only on House Bill No. 457.

Kevin Cunningham, American Property Casualty Insurance Association (APCIA), 543 Spanish Town Rd., Baton Rouge, LA 70802, (225) 381-0166, spoke for information only on House Bill No. 457.

Representative Edmonston offered a motion to report House Bill No. 457 with amendments. Without objection, House Bill No. 457 was reported with amendments by a vote of 10 yeas and 0 nays. Representatives Brown, Edmonston, Firmint, Frieman, Green, Huval, Illg, Jordan, McCormick, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 1 in support.

House Bill No. 458 by Representative Firmint

Representative Firmint presented House Bill No. 458, which provides for additional living expenses and fair rental value coverages under residential insurance policies.

Representative Firmint offered amendments to make technical changes. Representative Firmint offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 10 yeas and 0 nays. Representatives Brown, Edmonston, Firmint, Frieman, Green, Huval, Illg, Jordan, McCormick, and Willard voted yea.

Representative Firmint offered amendments to:

- (1) Make water, electricity, sewer, and natural gas services a finite list, rather than an illustrative list, regarding utilities that when stopped for 24 hours constitute an uninhabitable location and require all of these utilities to be restored to again become considered inhabitable;
- (2) Apply proposed law to any insurer engaged in the business of residential property insurance, rather than every insurer authorized to engage in such business; and
- (3) Make proposed law only applicable when the governor has declared a state of emergency and only apply proposed law to the geographic area specified in the declaration.

Representative Firmint offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 10 yeas and 0 nays. Representatives Brown, Edmonston, Firmint, Frieman, Green, Huval, Illg, Jordan, McCormick, and Willard voted yea.

Rodney Braxton, State Farm, 543 Spanish Town Rd., Baton Rouge, LA 70802, (225) 806-2522, spoke in opposition to House Bill No. 458.

Jeff Zewe, Louisiana Department of Insurance (LDI), 1702 N. Third St., Baton Rouge, LA 70802, (225) 342-0819, spoke for information only on House Bill No. 458.

Warren Byrd, LDI, 1702 N. Third St., Baton Rouge, LA 70802, (225) 342-5203, spoke for information only on House Bill No. 458.

Vice Chairman Jordan in the chair.

Chairman Brown in the chair.

Kevin Cunningham, APCIA, 543 Spanish Town Rd., Baton Rouge, LA 70802, (225) 381-0166, spoke for information only on House Bill No. 458.

Jon Schnautz, NAMIC, 10616 Thoroughbred Dr., Austin, TX 78748, (512) 395-5605, spoke for information only on House Bill No. 458.

Representative Firmert offered a motion to report House Bill No. 458 with amendments. Without objection, House Bill No. 458 was reported with amendments by a vote of 11 yeas and 0 nays. Representatives Brown, DuBuisson, Edmonston, Firmert, Frieman, Green, Huval, Illg, Jordan, McCormick, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 2 in support.

House Bill No. 591 by Representative Firmert

Representative Firmert presented House Bill No. 591, which provides for certain claims settlement practices.

Joel Moore, National Association of Independent Insurance Adjusters, 13531 Charwell Crossing, Houston, TX 77069, (281) 731-7951, spoke in support of House Bill No. 591.

Representative Firmert offered amendments to:

- (1) Delete proposed law concerning insurers issuing policies providing adjustment and settlement of losses on an actual cash value basis on residential fire and extended coverage;
- (2) Delete the model language that must be included in all residential property insurance policies and replace it with new model language that provides a mediation process for situations in which insurers and insureds do not agree upon the amount of a loss; and
- (3) Make technical changes.

Representative Firment offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 10 yeas and 0 nays. Representatives Brown, DuBuisson, Edmonston, Firment, Frieman, Green, Huval, Illg, Jordan, and Willard voted yea.

Jon Schnautz, NAMIC, 10616 Thoroughbred Dr., Austin, TX 78748, (512) 395-5605, spoke for information only on House Bill No. 591.

Jeff Albright, Independent Insurance Agents, 18153 E. Petroleum Dr., Baton Rouge, LA 70809, (225) 975-7171, spoke in support of House Bill No. 591.

Representative Firment offered a motion to report House Bill No. 591 with amendments. Without objection, House Bill No. 591 was reported with amendments by a vote of 10 yeas and 0 nays. Representatives Brown, DuBuisson, Edmonston, Firment, Frieman, Green, Illg, Jordan, McCormick, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 1 in opposition.

House Bill No. 585 by Representative Geymann

Representative Geymann presented House Bill No. 585, which provides relative to homeowner's insurance claims settlement practices.

Representative Geymann provided a handout, Exhibit A, which is included in the committee records.

Representative Green offered amendments to:

- (1) Restore the time frames prescribed in present law in which insurers must pay the amount due on claims, initiate loss adjustment of a property damage claim and a claim for reasonable medical expenses, and make a written offer to settle property damage claims; and
- (2) Change the process in proposed law which insurers shall follow if an insured provides the insurer with an alternative adjustment with a discrepancy in damages.

Representative Green offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 10 yeas and 0 nays. Representatives Brown, DuBuisson, Edmonston, Firment, Frieman, Green, Huval, Illg, Jordan, and Willard voted yea.

Representative Green offered amendments to delete proposed law concerning the commissioner being personally liable for failing to ensure insurers comply with certain provisions of law. Representative Green offered a motion to adopt the proposed amendments. Without objection, the

amendments were adopted by a vote of 10 yeas and 0 nays. Representatives Brown, DuBuisson, Edmonston, Firment, Frieman, Green, Huval, Illg, Jordan, and Willard voted yea.

Kerry Anderson, 621 Iris St., Lake Charles, LA 70601, (337) 292-0725, spoke in support of House Bill No. 585.

Jon Schnautz, NAMIC, 10616 Thoroughbred Dr., Austin, TX 78748, (512) 395-5605, spoke in opposition to House Bill No. 585.

Kevin Cunningham, APCIA, 543 Spanish Town Rd., Baton Rouge, LA 70802, (225)381-0166, spoke in opposition to House Bill No. 585.

Representative Green offered a motion to report House Bill No. 585 with amendments to which Representative Frieman objected. Representative Frieman offered a substitute motion to amend House Bill No. 585 to restore the present law amount for damages a claimant is entitled to when an insurer breaches certain imposed duties, to which Representative Green objected. The administrative assistant called the roll, and substitute motion to amend House Bill No. 585 was adopted by a vote of 6 yeas and 5 nays. Representatives Brown, DuBuisson, Frieman, Huval, Illg, and McCormick voted yea. Representatives Edmonston, Firment, Green, Jordan, and Willard voted nay.

Representative Green offered a motion to report House Bill No. 585 with amendments. Without objection, House Bill No. 585 was reported with amendments by a vote of 11 yeas and 0 nays. Representatives Brown, DuBuisson, Edmonston, Firment, Frieman, Green, Huval, Illg, Jordan, McCormick, and Willard voted yea.

Witness cards submitted by individuals who did not speak are as follows: 3 in support and 3 in opposition.

Statements submitted in accordance with House Rule 14.33 in lieu of appearing before the committee are as follows: 2 in support. Copies of these statements are included in the committee records.

Vice Chairman Jordan in the chair.

House Bill No. 469 by Representative Larvadain

Representative Larvadain presented House Bill No. 469, which provides relative to homeowner's insurance claims settlement practices.

Representative Green offered amendments to restore present law concerning insurer's good faith duty in claims settlement practices and the penalties for acting in bad faith. Representative Green offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by

a vote of 8 yeas and 0 nays. Representatives DuBuisson, Edmonston, Firment, Frieman, Green, Illg, Jordan, and Willard voted yea.

Representative Jordan offered amendments to make technical changes. Representative Jordan offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 8 yeas and 0 nays. Representatives DuBuisson, Edmonston, Firment, Frieman, Green, Illg, Jordan, and Willard voted yea.

Eric Holl, Real Reform Louisiana, 640 Lakeland Dr., Baton Rouge, LA 70802, (703) 399-4841, spoke in support of House Bill No. 469.

Representative Green offered amendments to add to proposed law inspections of the property by a licensed insurance adjuster and that damage incurred by the insured is satisfactory proof of loss, to which Representative Frieman objected.

Chairman Brown in the chair.

Representative Frieman offered a substitute motion and offered amendments to restore present law concerning insurers making payment on claims within 30 days after the receipt of satisfactory proofs of loss from the insured or any party in interest. Representative Frieman offered a motion to adopt the proposed amendments. Without objection, amendments were adopted by a vote of 9 yeas and 0 nays. Representatives Brown, DuBuisson, Edmonston, Firment, Frieman, Green, Huval, Illg, and Jordan voted yea.

Robin Baudoin, 2046 Louise St., Sulphur, LA 70663, (337) 274-6904, spoke in support of House Bill No. 469 and provided a handout, Exhibit B, which is included in the committee records.

Jon Schnautz, NAMIC, 10616 Thoroughbred Dr., Austin, TX 78748, (512) 395-5605, spoke in opposition to House Bill No. 469.

Kevin Cunningham, APCIA, 543 Spanish Town Rd., Baton Rouge, LA 70802, (225) 381-0166, spoke in opposition to House Bill No. 469.

Representative Green offered a motion to report House Bill No. 469 with amendments. Without objection, House Bill No. 469 was reported with amendments by a vote of 8 yeas and 0 nays. Representatives Brown, DuBuisson, Edmonston, Firment, Green, Illg, Jordan, and McCormick voted yea.

Witness cards submitted by individual who did not speak are as follows: 4 in support and 5 in opposition. Witness cards are included in the committee records.

Statements submitted in accordance with House Rule 14.33 in lieu of appearing before the committee are as follows: 2 in support.

IV. OTHER BUSINESS

There was no other business.

V. ANNOUNCEMENTS

Chairman Brown announced that the next committee meeting would be held on May 5, 2021.

VI. ADJOURNMENT

Representative Green offered a motion to adjourn. Without objection, the motion passed by a vote of 8 yeas and 0 nays. Representatives Brown, DuBuisson, Edmonston, Firment, Green, Illg, Jordan, and McCormick voted yea.

The meeting was adjourned at 2:02 p.m.

Respectfully submitted,

Chairman Chad Brown
House Committee on Insurance

Date adopted: