



LOUISIANA DEPARTMENT OF INSURANCE
TIMOTHY J. TEMPLE
COMMISSIONER

ADVISORY LETTER 2024-01

TO: ALL PROPERTY AND CASUALTY INSURERS, PRODUCERS, PUBLIC ADJUSTERS, AND PERSONS DOING BUSINESS IN LOUISIANA

FROM: TIMOTHY J. TEMPLE, COMMISSIONER OF INSURANCE

RE: ACT 389 OF THE 2024 LEGISLATIVE SESSION/FAIR PLAY FOR ALL IN THE CLAIMS PROCESS

DATE: AUGUST 30, 2024

The purpose of this advisory letter is to provide guidance on recent legislative changes enacted by Act Number 389 of the 2024 Regular Session of the Louisiana Legislature. These changes mandate adherence to fair practices in the insurance claims process. Act 389 broadens the definition of a fraudulent insurance act to include any false or misleading statements, estimates, invoices, bids, proposals, proofs of loss, or any other document presented to an insurer or insured that misrepresents the scope of damages or costs associated with a property insurance claim.

All property and casualty insurers, producers, public adjusters, and other persons must comply with the laws and regulations that govern the business of insurance in Louisiana. The Louisiana Department of Insurance (LDI) is empowered to regulate the insurance industry "in all its phases" and to protect the interests of insurance consumers. Any violations of the insurance code, including unfair trade practices, will result in enforcement actions against those who engage in such conduct or in the referral to the proper authorities.

More specifically, the LDI has identified the following areas of concern involving contracting, including roof repair and replacement, that warrant closer scrutiny and enforcement by the LDI:

- (1) [La. R.S. 51:451](#) states that no person selling goods or services can advertise to an insured, without the insurer's consent, that they will waive, pay, or not charge the insured's deductible. In addition, this practice violates [La. R.S. 22:1964\(2\)](#), which prohibits false or misleading advertising in any way related to the business of insurance.
- (2) La. R.S. 22:1964(13) deems it a fraudulent insurance act to submit false or misleading statements to an insurer that misrepresents the extent of damage or cost of repairs for a property insurance claim with the intent to defraud.

- (3) [La. R.S. 22:1693\(A\)](#) states that “a person shall not act or hold himself out as a public adjuster in Louisiana unless the person is licensed as a public adjuster...”. In accordance with [La. R.S. 22:1692](#), public adjusting means either of the following: investigating, appraising or evaluating and reporting to an insured in relation to a first-party claim for which coverage is provided by an insurance contract that insures the property of the insured or advertising for employment as a public adjuster of insurance claims or soliciting business or representing himself to the public as a public adjuster of first-party insurance claims for losses or damages arising out of policies of insurance that insure real or personal property. Contractors and roofers who present themselves as insurance professionals and act as de facto public adjusters are in violation of the insurance code and, depending on the facts and circumstances, may also be engaging in the unauthorized practice of law.

The LDI, in collaboration with the Louisiana Contractors Board, will ensure compliance with the insurance code and other applicable state laws.

The LDI urges all interested parties, including property and casualty insurers, producers, public adjusters, and especially roofing companies or contractors, to fully comply with the insurance code and any applicable state law. Consumers are also encouraged to remain informed about their rights and responsibilities when filing a claim, and to report any suspicious or fraudulent activities to the LDI. The LDI will continue to monitor the claims process and enforce the law to ensure fairness in the insurance market.

If there are any questions or concerns regarding Advisory Letter 2024-01, please contact the Deputy Commissioner for the Office of Insurance Fraud at (225) 342-4956 or electronically at public@ldi.la.gov.

Baton Rouge, Louisiana this 30th day of August 2024.



TIMOTHY J. TEMPLE
COMMISSIONER OF INSURANCE