



LOUISIANA DEPARTMENT OF INSURANCE
TIMOTHY J. TEMPLE
COMMISSIONER

ADVISORY LETTER 2025-02

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

FROM: TIMOTHY J. TEMPLE, COMMISSIONER OF INSURANCE

RE: ACT 364 OF THE 2023 LEGISLATIVE SESSION/ASSIGNMENT OF BENEFITS

DATE: JUNE 20, 2025

The Louisiana Department of Insurance (LDI) issues Advisory Letter 2025-02 to notify all property and casualty insurers, producers, public adjusters, and persons transacting business involving any post-loss benefits under residential or commercial insurance policies, that assignment of benefit (AOB) agreements are prohibited in the State of Louisiana. Act 364 of the 2023 Regular Legislative Session, codified at [La. R.S. 22:1275](#), expressly prohibits the solicitation or acceptance of any assignment, in whole or in part, of post-loss insurance benefits under residential or commercial property insurance policies. The law declares such assignment agreements to be against public policy, null, void, and unenforceable.

For purposes of [La. R.S. 22:1275](#), an “assignment agreement” is defined as:

“any instrument by which post-loss benefits under a residential or commercial property insurance policy, including but not limited to any right of action against the insurer or any proceeds acquired from the insurer, are assigned, transferred, or acquired in any other manner, in whole or in part, to or from a person providing services, including but not limited to inspecting, protecting, repairing, restoring, or replacing the property or mitigating against further damage to the property.”

The statutory prohibition does not apply to assignments, transfers, pledges, or conveyances granted to a federally insured financial institution, a mortgagee, or a subsequent purchaser of the property. It also does not apply to assignments involving liability coverage under a residential or commercial property insurance policy.

The LDI has received reports indicating that some policyholders, particularly residential homeowners, as well as certain insurers and service providers, remain unaware of the statutory prohibition. The LDI emphasizes that no person or entity may solicit or accept an assignment of post-loss insurance benefits under a residential or commercial property insurance policy. Any attempt to enforce such an agreement is legally void. Service providers, including but not limited to contractors, public adjusters, and appraisers, must not use AOB agreements as part of their business practices. Any

violation of [La. R.S. 22:1275](#) constitutes an unfair or deceptive trade practice and is subject to penalties under [La. R.S. 22:1969](#).

The LDI urges all parties involved in the insurance claims process to stay informed about their rights and responsibilities. All parties should exercise caution before signing any documents related to insurance claims and should report any suspicious, unfair, deceptive, or fraudulent conduct to the LDI.

If there are any questions or concerns regarding Advisory Letter 2025-02, 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 20th day of June 2025.

A handwritten signature in blue ink, appearing to read 'Tim Temple', is written over a horizontal line.

TIMOTHY J. TEMPLE
COMMISSONER OF INSURANCE