
DIGEST

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HB 521 Original

2022 Regular Session

Huval

Abstract: With respect to insurance, provides for catastrophe response plans.

Present law provides that every insurer writing any form of commercial or residential property insurance, automobile insurance, marine, or inland marine insurance or writing life or health and accident insurance shall maintain a catastrophe response plan that describes how the insurer will respond to a catastrophe affecting its policyholders.

Present law provides that each health maintenance organization, managing general agent, and third-party administrator shall maintain a catastrophe response plan that describes how it will respond to a catastrophe affecting its business operations.

Proposed law repeals present law and provides that every insurer, as defined in R.S. 22:46(10), and every health maintenance organization operating in this state shall maintain a catastrophe response plan that describes how the insurer will respond to a catastrophe affecting its business operations and policyholders or subscribers.

Proposed law provides that every third-party administrator shall maintain a catastrophe response plan that describes how it will respond to a catastrophe affecting its business operations.

Proposed law provides that catastrophe response plans required pursuant to proposed law shall include all of the following:

- (1) Emergency contact information of key or essential personnel.
- (2) Alternative office locations or work sites.
- (3) Procedures to address the back up, storage, retrieval, and security of records and data, the handling and processing of claims, whether arising prior to or subsequent to the catastrophe, the training of staff, communication with policyholders and subscribers, and the distribution of catastrophe claims information.
- (4) Considering the scale of the catastrophe and the number of policies issued in the affected area, the methodology for determining the number of field adjusters, desk adjusters, and other administrative personnel necessary to respond to the catastrophe, the provision of sufficient claims and administrative personnel to service policyholder and subscriber needs

in a timely manner, and the provision of logistical support necessary for claims and administrative personnel in the affected area.

- (5) The process whereby a policyholder can file a claim.
- (6) The process whereby a policyholder or agent can contact the appropriate claims personnel, regarding a claim.
- (7) Any other information required by the commissioner.

Present law provides that during an examination or at such other time as the commissioner deems appropriate, he shall review the catastrophe response plan of each insurer, health maintenance organization, managing general agent, and third-party administrator.

Proposed law repeals present law and provides that every insurer, health maintenance organization, and third-party administrator shall file a catastrophe response plan that conforms to the provisions proposed law with the commissioner no later than June 1, 2023, and shall file a revised plan when any changes are made to the plan.

Proposed law provides that the commissioner shall review each catastrophe response plan when filed to ensure that it meets the requirements of proposed law and any applicable rules and regulations.

Present law provides that catastrophe response plans shall be deemed to be confidential, proprietary information subject to the protections of the Uniform Trade Secrets Act, shall not be subject to the public records disclosures, and shall not be made public by the commissioner.

Proposed law retains present law.

Proposed law provides that the commissioner may promulgate rules and regulations setting forth the minimum standards for catastrophe response plans, that include the requirements in proposed law.

Proposed law provides that if the commissioner finds that a violation of proposed law has occurred, the commissioner may take necessary and appropriate enforcement and regulatory action, including action pursuant to present law, R.S. 22:18.

(Amends R.S. 22:572)