

2022 Regular Session

HOUSE BILL NO. 521

BY REPRESENTATIVE HUVAL

1 AN ACT

2 To amend and reenact R.S. 22:572, relative to catastrophe response plans for insurance; to
3 provide for the requirements for catastrophe response plans; to provide for filing
4 with and review of plans by the commissioner; to provide for confidentiality; to
5 provide for enforcement and penalties; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:572 is hereby amended and reenacted to read as follows:

8 §572. ~~Written catastrophe~~ Catastrophe response plans

9 A. Every insurer, as defined in R.S. 22:46(10), and every health maintenance
10 organization operating in this state, writing any form of commercial or residential
11 property insurance, automobile insurance, marine, or inland marine insurance or
12 writing life or health and accident insurance shall maintain a written catastrophe
13 response plan or plan that describes how the insurer will respond to a catastrophe
14 affecting its business operations and policyholders or subscribers. Additionally, each
15 health maintenance organization, managing general agent, and every third-party
16 administrator shall maintain a written catastrophe response plan or plan that
17 describes how it will respond to a catastrophe affecting its business operations.
18 However, insurers are not required to ensure compliance by third-party
19 administrators with this Section. During an examination required by R.S. 22:1981,
20 or at such other time as the commissioner deems appropriate, he shall review the
21 written catastrophe response plan of each insurer, health maintenance organization,
22 managing general agent, and third-party administrator, the insurance written, and the

1 ~~response plan most appropriate for the type of insureds or business operations at~~
 2 ~~issue.~~

3 B. Catastrophe response plans required pursuant to this Section shall include
 4 all of the following:

5 (1) Emergency contact information of key or essential personnel.

6 (2) Alternative office locations or work sites likely to be used in the event
 7 of a catastrophe.

8 (3) Procedures to address the following:

9 (a) The backup, storage, retrieval, and security of records and data used to
 10 adjust claims.

11 (b) The handling and processing of claims, whether prior to or subsequent
 12 to the catastrophe.

13 (c) Relevant training of staff.

14 (d) Communication with agents, policyholders, and subscribers, in the event
 15 of mail delivery or other communication system disruption. Such communication
 16 shall address, at minimum, the process for filing a claim and the method whereby an
 17 agent, policyholder, or subscriber can obtain information concerning a claim.

18 (e) The distribution of catastrophe claims information to policyholders or
 19 subscribers.

20 (4) Considering the scale of the catastrophe and the number of policies
 21 issued in the affected area, the methodology for determining the following:

22 (a) The approximate number of field adjusters, desk adjusters, and other
 23 administrative personnel necessary to respond to the catastrophe.

24 (b) The process through which the insurer will provide claims and
 25 administrative personnel to service policyholder and subscriber needs in a timely
 26 manner.

27 (c) The process through which the insurer will provide logistical support for
 28 claims and administrative personnel in the area affected by the catastrophe.

29 C. Every insurer, health maintenance organization, and third-party
 30 administrator shall file a catastrophe response plan that conforms to the provisions

1 of this Section with the commissioner no later than June 1, 2023, and shall file a
2 revised plan when any changes are made to the plan. The commissioner shall review
3 each catastrophe response plan when filed to ensure that it meets the requirements
4 of this Section and any applicable rules and regulations.

5 D. The written catastrophe response plan of each insurer, health maintenance
6 organization, managing general agent, and third-party administrator Catastrophe
7 response plans required pursuant to this Section shall be deemed to be confidential,
8 proprietary information subject to the protections of the Uniform Trade Secrets Act,
9 pursuant to Chapter 13-A of Title 51 of the Louisiana Revised Statutes of 1950, shall
10 not be subject to the public records disclosures of R.S. 44:1, and shall not be made
11 public by the commissioner.

12 E. The commissioner may promulgate rules in accordance with the
13 Administrative Procedure Act to implement and enforce the provisions of this
14 Section.

15 F. If the commissioner finds that a violation of this Section has occurred, the
16 commissioner may take necessary and appropriate enforcement and regulatory
17 action, including action pursuant to R.S. 22:18.

18 Section 2. This Act shall become effective January 1, 2023.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____