

RÉSUMÉ DIGEST

ACT 157 (HB 521)

2022 Regular Session

Huval

Prior law required 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 to maintain a catastrophe response plan that describes how the insurer will respond to a catastrophe affecting its policyholders.

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

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

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

New law provides that insurers are not required to ensure third-party administrators are in compliance with new law.

New law requires catastrophe response plans to include all of the following:

- (1) Emergency contact information of key or essential personnel.
- (2) Alternative office locations or work sites likely to be used in the event of a catastrophe.
- (3) Procedures to address the back up, storage, retrieval, and security of records and data used to adjust claims, the handling and processing of claims, relevant training of staff, communication with agents, policyholders, and subscribers in the event of mail delivery or other communication system disruption to address, at minimum, the process for filing a claim and the method whereby an agent, policyholder, or subscriber can obtain information concerning a claim, and the distribution of catastrophe claims information to policyholders or subscribers.
- (4) Considering the scale of the catastrophe and the number of policies issued in the affected area, the methodology for determining the approximate number of field adjusters, desk adjusters, and other administrative personnel necessary to respond to the catastrophe, the process through which the insurer will provide claims and administrative personnel to service policyholder and subscriber needs in a timely manner, and the process through which the insurer will provide logistical support for claims and administrative personnel in the area affected by the catastrophe.

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

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

New law requires the commissioner to review each catastrophe response plan when filed to ensure that it meets the requirements of new law and any applicable rules and regulations.

Existing 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.

New law authorizes the commissioner to promulgate rules in accordance with the Administrative Procedure Act to implement and enforce the provisions of new law.

New law provides that if the commissioner finds that a violation of new law has occurred, the commissioner may take necessary and appropriate enforcement and regulatory action, including action pursuant to existing law (R.S. 22:18).

Effective January 1, 2023.

(Amends R.S. 22:572)