

## RÉSUMÉ DIGEST

ACT 124 (HB 383)

2023 Regular Session

Amedee

New law requires each insurer subject to the La. Insurance Guaranty Assoc. Law (R.S. 22:2051 et seq.) to prepare, implement, and maintain a data transfer plan. Requires the insurer to file the plan with the commissioner of insurance (commissioner) upon the occurrence of a company-action level event as defined in existing law (R.S. 22:613).

New law requires a data transfer plan to include the manner, methods, and formats in which the insurer maintains and preserves its claims and underwriting records; the process by which the insurer will transfer its records to the La. Insurance Guaranty Assoc. (LIGA) if an order of rehabilitation or liquidation is issued pursuant to existing law (R.S. 22:2008); and any other information deemed necessary by the commissioner.

New law provides that if the insurer uses a third party to maintain its records, the insurer is required to include in its plan the process by which the third party will provide the insurer's claims and underwriting records to LIGA without delay.

New law requires the commissioner to review each data transfer plan to determine compliance with new law and to consult with LIGA to confirm that the data transfer plan will integrate with LIGA's manner and means of maintaining records from insurers that are subject to orders of rehabilitation or liquidation.

New law authorizes the commissioner to examine the records and operations of insurers to determine compliance with new law; direct an insurer to test and modify its data transfer plan; require an insurer to prefund the services required to initiate a data transfer; require an insurer to take action to remedy substantial noncompliance with new law; and waive compliance with new law upon the insurer's written request that establishes that the issues causing a company-action level event will be resolved and with the concurrence of LIGA.

New law requires an insurer that remains in a company-action level event to update and file its data transfer plan with the commissioner at intervals the commissioner deems appropriate.

New law subjects data transfer plans to the commissioner's confidentiality provisions in existing law (R.S. 22:1983(J)). Requires an insurer to submit a data transfer plan and any related information used to test the processes in the plan to LIGA or any other guaranty association if, prior to the guaranty association receiving the information, the parties agree, in writing, to treat the information received as confidential, unless the insurer grants prior written consent to share the information with a guaranty association.

New law specifies that data transfer plans and related information produced to the commissioner are not subject to public records inspection, examination, copying, or reproduction pursuant to the Public Records Law (R.S. 44:1 et seq.) and that each data transfer plan is a proprietary, confidential business record not subject to production, including subpoena. Further provides an exception in the Public Records Law for data transfer plans and information produced to the commissioner pursuant to data transfer plans.

Effective upon signature of governor (June 6, 2023).

(Amends R.S. 44:4.1(B)(11); Adds R.S. 22:572.2)