

2022 Regular Session

HOUSE BILL NO. 280

BY REPRESENTATIVE HUVAL AND SENATOR TALBOT

INSURERS: Provides for written catastrophe response plans

1 AN ACT

2 To amend and reenact R.S. 22:572, relative to written catastrophe response plans; to provide
3 for the minimum requirements for written catastrophe response plans; to provide a
4 deadline for insurers to submit a revised catastrophe response plan; to provide for
5 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 response plans

9 A. Every insurer writing any form of commercial or residential property
10 insurance, automobile insurance, marine, or inland marine insurance or writing life
11 or health and accident insurance shall maintain a written catastrophe response plan
12 or plan that describes how the insurer will respond to a catastrophe affecting its
13 policyholders. Additionally, each health maintenance organization, managing
14 general agent, and third-party administrator shall maintain a written catastrophe
15 response plan or plan that describes how it will respond to a catastrophe affecting its
16 business operations. During an examination required by R.S. 22:1981, or at such
17 other time as the commissioner deems appropriate, he shall review the written
18 catastrophe response plan of each insurer, health maintenance organization,
19 managing general agent, and third-party administrator, the insurance written, and the
20 response plan most appropriate for the type of insureds or business operations at

1 issue. The written catastrophe response plan of each insurer, health maintenance
2 organization, managing general agent, and third-party administrator shall be deemed
3 to be confidential, proprietary information subject to the protections of the Uniform
4 Trade Secrets Act, pursuant to Chapter 13-A of Title 51 of the Louisiana Revised
5 Statutes of 1950, shall not be subject to the public records disclosures of R.S. 44:1,
6 and shall not be made public by the commissioner.

7 B. Written catastrophe response plans submitted pursuant to this Section
8 shall include all of the following minimum requirements:

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

10 (2) Appropriate contact information of claims personnel.

11 (3) Alternative office locations and work sites likely to be used in the event
12 of a catastrophe.

13 (4) Procedures to address all of the following:

14 (a) The back up, storage, retrieval, and security of records and data necessary
15 to adjust claims.

16 (b) The processing of claims, whether filed prior to or after the catastrophe.

17 (c) Relevant training of staff.

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

22 (e) The distribution of catastrophe claim information to policyholders.

23 (5) With consideration to the scale of a given catastrophe and the quantity
24 of policies issued in the affected area, the methodology for determining all of the
25 following:

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

28 (b) The process through which the insurer will provide claims and
29 administrative personnel to service policyholder needs.

1 (c) The process through which the insurer will provide logistical support to
2 claims and administrative personnel in the area affected by the catastrophe.

3 C. Insurers subject to the requirements of this Section shall file a written
4 catastrophe response plan that conforms to the standards in Subsection B of this
5 Section with the department no later than June 1, 2023. Insurers shall file updated
6 written catastrophe response plans as necessary. The commissioner shall review
7 each written catastrophe response plan to ensure that it meets the requirements of this
8 Section and any applicable department rules.

9 D. Failure to comply with the provisions of this Section shall be grounds for
10 the commissioner to take regulatory action pursuant to the authority set forth in R.S.
11 22:18.

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

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 280 Original

2022 Regular Session

Huval

Abstract: Provides for written 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 and health maintenance organizations, managing general agents, and third-party administrators shall maintain a catastrophe response plan or plan that describes how the insurer will respond to a catastrophe affecting its policyholders.

Present law provides that during examinations or at other times the commissioner deems appropriate, he shall review written catastrophe response plans.

Present law provides that written catastrophe response plans shall be deemed confidential trade secrets, not subject to public records disclosures and shall not be made public by the commissioner.

Proposed law retains present law and provides that written catastrophe response plans shall include all of the following minium requirements:

- (1) Emergency contact information of key or essential personnel.
- (2) Appropriate contact information of claims personnel.

- (3) Alternative office locations and work sites likely to be used in the event of a catastrophe.
- (4) Procedures to address storage and security of data necessary to adjust claims, the processing of claims, relevant training of staff, maintaining communication with policyholders and agents in the event of mail or other communication system disruption, and a plan for distributing catastrophe claims information to policyholders.
- (5) The methodology for determining the approximate number of adjusters and other administrative personnel necessary to respond to the catastrophe, the process through which the insurer will provide services to policyholders, and the process through which insurers will provide logistical support to claims personnel in the affected area.

Proposed law provides that insurers shall submit a written catastrophe response plan that conforms to the standards in proposed law with the Dept. of Insurance no later than June 1, 2023.

Proposed law provides that the commissioner shall review each catastrophe response plan to ensure that it conforms to the standards in proposed law and any applicable department rules.

Proposed law provides that failure to comply with the provisions of proposed law shall be grounds for the commissioner to take certain regulatory action.

Proposed law directs the commissioner to promulgate rules to implement and enforce the provisions in proposed law.

(Amends R.S. 22:572)