

2022 Regular Session

HOUSE BILL NO. 521

BY REPRESENTATIVE HUVAL

INSURERS: Provides for catastrophe response plans

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 ~~During an examination required by R.S. 22:1981, or at such other time as the~~  
19 ~~commissioner deems appropriate, he shall review the written catastrophe response~~  
20 ~~plan of each insurer, health maintenance organization, managing general agent, and~~

1 ~~third-party administrator, the insurance written, and the response plan most~~  
2 ~~appropriate for the type of insureds or business operations at 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.

7 (3) Procedures to address the following:

8 (a) The back up, storage, retrieval, and security of records and data.

9 (b) The handling and processing of claims, whether arising prior to or  
10 subsequent to the catastrophe.

11 (c) The training of staff.

12 (d) Communication with policyholders and subscribers.

13 (e) The distribution of catastrophe claims information.

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

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

18 (b) The provision of sufficient claims and administrative personnel to service  
19 policyholder and subscriber needs in a timely manner.

20 (c) The provision of logistical support necessary for claims and  
21 administrative personnel in the affected area.

22 (5) The process whereby a policyholder can file a claim.

23 (6) The process whereby a policyholder or agent can contact the appropriate  
24 claims personnel, regarding a claim.

25 (7) Any other information required by the commissioner.

26 C. Every insurer, health maintenance organization, and third-party  
27 administrator shall file a catastrophe response plan that conforms to the provisions  
28 of this Section with the commissioner no later than June 1, 2023, and shall file a  
29 revised plan when any changes are made to the plan. The commissioner shall review

1 each catastrophe response plan when filed to ensure that it meets the requirements  
2 of this Section and any applicable rules and regulations.

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

10 E. The commissioner may promulgate rules and regulations setting forth the  
11 minimum standards for catastrophe response plans, that include the requirements in  
12 Subsection B of this Section.

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

#### 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 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)