

**ACT No. 157**

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.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_