DECLARATION OF EMERGENCY

Department of Insurance

Office of the Commissioner

Emergency Rule 30--Suspension of Right to Cancel or Nonrenew Residential, Commercial Residential, or Commercial Property Insurance Due To Historic Flooding (LAC 37:XI.Chapter 51)

The Department of Insurance hereby exercises the emergency provisions of the Administrative Procedure Act, R.S. 49:953(B), and pursuant to the authority granted by Louisiana Revised Statutes 22:1 *et seq.*, adopts Emergency Rule 30 which maintains and continues in effect the provisions of Emergency Rule 28 that became effective August 12, 2016. Emergency Rule 30 shall be effective October 13, 2016 and shall remain effective through Thursday, February 9, 2017.

Emergency Rule 30 is issued pursuant to the transfer of authority to suspend provisions of regulatory statutes and implementing regulations from the Governor to the Commissioner of Insurance in Executive Order No. JBE 2016-58, signed by Governor John Bel Edwards on August 17, 2016, amended on September 12, 2016, by Executive Order No. JBE 2016-67, and subsequently amended on October 11, 2016, by Executive Order No. JBE 2016-71. The transfer of authority in Executive Order No. JBE 2016-58 is authorized in the Louisiana Homeland Security and Emergency Assistance and Disaster Act, R.S. 29:721 *et seq.*, and rules promulgated by the Commissioner relative to the Louisiana Insurance Code are authorized in R.S. 22:11 and are promulgated through the aforementioned Administrative Procedure Act.

On August 12, 2016, Governor John Bel Edwards declared a State of Emergency within the state of Louisiana in response to historic flooding in Louisiana. This State of Emergency, declared pursuant to Proclamation No. 111 JBE 2016, extends from Friday, August 12, 2016, to Monday, September 12, 2016. Louisiana citizens have suffered damage due to this historic flooding. In some places, it could be several weeks before electricity is restored. The homes of many Louisiana citizens were destroyed, precluding habitation. The damage caused by this historic flooding has resulted in the closing of businesses and financial institutions, the temporary suspension of mail service, interruption of communication services, the temporary displacement of persons from their homes, loss of personal belongings, and temporary loss of employment. This disruption has affected the ability of these citizens to timely pay their insurance premiums, access their insurance policies, and communicate with insurance agents and their respective insurance companies for insurance-related matters. This historic flooding has created a mass disruption to the normalcy previously enjoyed by Louisianans and produced an immediate threat to the public health, safety, and welfare of Louisiana citizens.

Insurers have been working diligently to adjust and pay claims. However, due to a shortage of building materials, contractors, and construction workers, many policyholders who have received, or will soon receive, claim payments from insurers will find that they are unable to repair or reconstruct their residential, commercial residential, or commercial property within normal time

frames. In many places, it could be months before residential, commercial residential, or commercial property damaged by the historic flood can be repaired or reconstructed. This inordinate time period to repair or reconstruct residential, commercial residential, or commercial property continues to affect the ability of Louisiana insureds to maintain or obtain personal residential, commercial residential, or commercial property insurance. For these reasons, Executive Order No. JBE 2016-58, amended by Executive Order No. JBE 2016-67 signed by Governor John Bel Edwards on September 12, 2016, and subsequently amended by Executive Order No. JBE 2016-71, signed on October 11, 2016, remains in effect through Thursday, February 9, 2017.

The Commissioner will be hindered in the proper performance of his duties and responsibilities under the Louisiana Insurance Code, as well as his duties and responsibilities regarding the referenced State of Emergency, without the authority to suspend certain statutes in the Louisiana Insurance Code and the rules and regulations that implement the Louisiana Insurance Code and without the adoption of Emergency Rule 30, which relates to the cancellation and nonrenewal of all personal residential, commercial residential, or commercial property insurance subject to the Louisiana Insurance Code.

Therefore, Emergency Rule 30 is issued and shall apply to all insurers, property and casualty insurers, surplus lines insurers, and any and all other entities doing business in Louisiana and/or regulated by the Commissioner, regarding any and all types of homeowners insurance and/or residential property insurance, commercial insurance, fire and extended coverage insurance, credit property and casualty insurance, property and casualty insurance, all surplus lines insurance, and any and all other insurance regulated entities doing business in Louisiana and/or regulated by the Commissioner.

Emergency Rule 30 is applicable to insureds who, as of 12:01 a.m. on August 12, 2016, had a personal residential, commercial residential, or commercial property insurance policy covering a dwelling, residential property, or commercial property located in one of the following parishes: **Acadia, Ascension, Assumption, Avoyelles, Cameron, East Baton Rouge, East Feliciana, Evangeline, Iberia, Iberville, Jefferson Davis, Lafayette, Livingston, Pointe Coupee, St. Charles, St. Helena, St. James, St. John the Baptist, St. Landry, St. Martin, St. Tammany, Tangipahoa, Vermilion, Washington, West Baton Rouge, and West Feliciana,** and any such parishes that may receive a major disaster declaration by the President of the United States or such officer acting under his authority.

Emergency Rule 30 is available on the Internet at www.ldi.state.la.us and is available for inspection between the hours of 8 a.m. until 4:30 p.m. at the Louisiana Department of Insurance, 1702 N. Third Street, Baton Rouge, LA 70802.

Title 37
INSURANCE
Part XI. Rules
Chapter 51. Emergency Rule 30--Suspension of Right to Cancel or Nonrenew Residential, Commercial Residential, or Commercial Property Insurance Due To Historic Flooding

§5101. Benefits, Entitlements, and Protections

A. The benefits, entitlements, and protections of Emergency Rule 30 shall be applicable to insureds who, as of 12:01 a.m. on August 12, 2016, had a personal residential, commercial residential, or commercial property insurance policy covering a dwelling, residential property, or commercial property located in one of the following parishes: Acadia, Ascension, Assumption, Avoyelles, Cameron, East Baton Rouge, East Feliciana, Evangeline, Iberia, Iberville, Jefferson Davis, Lafayette, Livingston, Pointe Coupee, St. Charles, St. Helena, St. James, St. John the Baptist, St. Landry, St. Martin, St. Tammany, Tangipahoa, Vermilion, Washington, West Baton Rouge, and West Feliciana, and any such parishes that may receive a major disaster declaration by the President of the United States or such officer acting under his authority.

AUTHORITY NOTE: Promulgated in accordance with Executive Order No. JBE 2016-58, Executive Order No. JBE 2016-67, and Executive Order No. JBE 2016-71.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR

§5103. Applicability

A. Emergency Rule 30 shall apply to any and all types of personal residential, commercial residential, or commercial property insurance covering a dwelling, residential property, or commercial property located in one of the parishes set forth in Section 5101.A that sustained damage as a result of the August 2016 historic flood or its aftermath, including but not limited to, any and all types of homeowners insurance and/or residential property insurance, commercial insurance, fire and extended coverage insurance, credit property and casualty insurance, property and casualty insurance, and any and all other insurance regulated by the Commissioner that falls within the intent and purpose of Emergency Rule 30.

AUTHORITY NOTE: Promulgated in accordance with Executive Order No. JBE 2016-58, Executive Order No. JBE 2016-67, and Executive Order No. JBE 2016-71.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR

§5105. Cancellation or Nonrenewal Suspended

A. Any statutory or regulatory provision, or any policy provisions contained in any and all policies of insurance set forth in Section 5103.A above, that authorizes any insurer, surplus lines insurer, or any other entity regulated by the Commissioner to cancel or nonrenew, on the grounds of a material change in the risk being insured, any personal residential, commercial residential, or commercial property insurance policy covering a dwelling, residential property, or commercial property located in Louisiana that sustained damages as a result of the August 2016

historic flood or its aftermath, is suspended and unenforceable, and such cancellations or nonrenewals shall be prohibited through Thursday, February 9, 2017, unless extended by the Commissioner. Any such notice of cancellation or nonrenewal issued on or after August 12, 2016, through February 9, 2017, shall be null and void and have no force or effect. Furthermore, any such notice shall be reissued *de novo* to the insured in accordance with existing statutory requirements, and any such notice shall not be issued prior to February 10, 2017.

AUTHORITY NOTE: Promulgated in accordance with Executive Order No. JBE 2016-58, Executive Order No. JBE 2016-67, and Executive Order No. JBE 2016-71.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR

§5107. Insured's Obligation

A. The insured is obligated to exercise good faith with regard to undertaking the repairs or reconstruction of the dwelling or residential property.

AUTHORITY NOTE: Promulgated in accordance with Executive Order No. JBE 2016-58, Executive Order No. JBE 2016-67, and Executive Order No. JBE 2016-71.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR

§5109. Insurer's Obligation

A. The insurer or surplus lines insurer or any other entity regulated by the Commissioner is obligated to provide the insured with sufficient time to effectuate the repairs or reconstruction to the dwelling or residential property and to recognize the inordinate conditions that exist in the state of Louisiana with regard to the ability of the insured to engage a contractor, engage construction workers, obtain materials, and otherwise undertake to accomplish the necessary repairs or reconstruction of the dwelling, residential property, or commercial property.

AUTHORITY NOTE: Promulgated in accordance with Executive Order No. JBE 2016-58, Executive Order No. JBE 2016-67, and Executive Order No. JBE 2016-71.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR

§5111. Exemption from Compliance

A. Notwithstanding any other provision contained herein, the Commissioner may exempt any insurer from compliance with Emergency Rule 30 upon the written request by the insurer if the Commissioner determines that compliance with Emergency Rule 30 may be reasonably expected to result in said insurer being subject to undue hardship, impairment, or insolvency.

AUTHORITY NOTE: Promulgated in accordance with Executive Order No. JBE 2016-58, Executive Order No. JBE 2016-67, and Executive Order No. JBE 2016-71.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR

§5113. Purpose and Intent

A. The provisions of Emergency Rule 30 shall be liberally construed to effectuate the intent and purposes expressed herein and to afford maximum consumer protection for the insureds of Louisiana who desire to maintain or obtain personal residential, commercial residential, or commercial property.

AUTHORITY NOTE: Promulgated in accordance with Executive Order No. JBE 2016-58, Executive Order No. JBE 2016-67, and Executive Order No. JBE 2016-71.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR

§5115. Authority

A. The Commissioner reserves the right to amend, modify, alter, or rescind all or any portion of Emergency Rule 30. Additionally, the Commissioner reserves the right to extend Emergency Rule 30.

AUTHORITY NOTE: Promulgated in accordance with Executive Order No. JBE 2016-58, Executive Order No. JBE 2016-67, and Executive Order No. JBE 2016-71.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR

§5117. Severability

A. If any section or provision of Emergency Rule 30 is held invalid, such invalidity or determination shall not affect other sections or provisions or the application of Emergency Rule 30 to any persons or circumstances to which provisions can be given effect without the invalid sections or provisions, and the application to any such person or circumstance shall be severable.

AUTHORITY NOTE: Promulgated in accordance with Executive Order No. JBE 2016-58, Executive Order No. JBE 2016-67, and Executive Order No. JBE 2016-71.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR

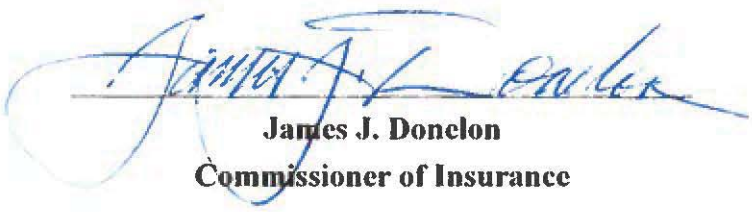
§5119. Effective Date

Emergency Rule 30 shall be effective upon adoption and shall remain effective through Thursday, February 9, 2017.

AUTHORITY NOTE: Promulgated in accordance with Executive Order No. JBE 2016-58, Executive Order No. JBE 2016-67, and Executive Order No. JBE 2016-71.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR

Baton Rouge, Louisiana, this 11th day of October, 2016.



James J. Donelon
Commissioner of Insurance

State of Louisiana

Executive Department

EXECUTIVE ORDER NUMBER JBE 2016-58

EMERGENCY SUSPENSION OF CERTAIN INSURANCE CODE PROVISIONS

WHEREAS, pursuant to the Louisiana Homeland Security and Emergency Assistance and Disaster Act, La. R.S. 29:721, *et seq.*, the Governor declared a state of emergency in Proclamation No. 111 JBE 2016;

WHEREAS, due to unprecedented rainfall, portions of southern Louisiana are currently experiencing a flood of historical proportions, with thousands of homes flooded and thousands of peoples being rescued from flooded homes that can only be reached by boat or high water trucks;

WHEREAS, the flooding poses a threat to citizens, businesses, and communities across Southern Louisiana and has created conditions which place lives, livelihoods, and property in a state of jeopardy;

WHEREAS, the enormity of the current and impending crisis has forced thousands of people to evacuate their homes and in many cases will cause a significant interruption of residency in their homes and occupancy of businesses;

WHEREAS, due to the mass disruptions caused and still occurring, Louisiana citizens and businesses may be unable to timely pay their insurance premiums, access their insurance policies, satisfy certain conditions of insurance contracts, and communicate with insurance agents and their respective insurance companies for insurance-related matters, all of which can result in the risk of insurance cancelation and claims denials under ordinary circumstances and will prevent, hinder, and delay necessary action in coping with and recovering from this emergency;

WHEREAS, Louisiana Revised Statute 29:724 confers upon the Governor emergency powers to deal with emergencies and disasters and to ensure that preparations of this state will be adequate to deal with such emergencies or disasters, and to preserve the lives and property of the citizens of the State of Louisiana, including the authority to suspend the provisions of any regulatory statute prescribing the procedures for conduct of state business, or the orders, rules, or regulations of any state agency, if strict compliance with the provisions of any statute, order, rule, or regulation would in any way prevent, hinder, or delay necessary action in coping with the emergency; and

WHEREAS, Commissioner of Insurance James J. Donelon has advised the Governor that citizens in Louisiana are at risk with regard to any and all kinds of insurance and requested limited transfer of authority to suspend certain provisions of Title 22.

NOW THEREFORE, I, JOHN BEL EDWARDS, Governor of the State of Louisiana, by virtue of the authority vested by the Constitution and the laws of the State of Louisiana, do hereby order and direct as follows:

SECTION 1: Commissioner of Insurance James J. Donelon shall have limited transfer of authority from the Governor to suspend provisions of any regulatory statute of Title 22 of the Louisiana Revised Statutes of 1950 concerning the cancellation, termination, nonrenewal, and nonreinstatment provisions of Title 22, including, but not limited to, La. R.S. 22:272, 22:887, 22:1068, 22:977, 22:978, 22:1074, 22:1266, 22:1267, 22:1311, and 22:1335, where such statutory or regulatory requirements prevent, hinder, or delay necessary action in coping with the current emergency, including providing additional time for policyholders to complete existing claims, providing additional time for policyholders to remit premium payments to avoid cancelation of policies, prohibiting cancelations where a policyholder is incapable of fulfilling requirements due to evacuation or inhabitability, and suspending any licensure or similar requirement that might hinder the ability of regulated entities to employ non-Louisiana licensees during the immediate aftermath of the disaster, including claims adjusters or other licensed regulated entities.

SECTION 2: This Order shall not relieve an insured who has a claim caused by this historic flooding, or its aftermath, from compliance with the insured's obligation to provide information and cooperate in the claim adjustment process relative to such claim, or to pay insurance premiums upon termination of the provisions of this Order.

SECTION 3: This Order shall apply retroactively from Friday, August 12, 2016, and shall continue through Monday, September 12, 2016, unless amended, modified, terminated, or rescinded by the Governor prior thereto.

IN WITNESS WHEREOF, I have set my hand officially and caused to be affixed the Great Seal of Louisiana in the City of Baton Rouge, on this 17th day of August, 2016.

GOVERNOR OF LOUISIANA

ATTEST BY
THE GOVERNOR

SECRETARY OF STATE

State of Louisiana

EXECUTIVE DEPARTMENT
EXECUTIVE ORDER NUMBER JBE 2016-67

EMERGENCY SUSPENSION OF CERTAIN INSURANCE CODE PROVISIONS – AMENDED

WHEREAS, the Louisiana Homeland Security and Emergency Assistance and Disaster Act, La. R.S. 29:721 *et seq.*, confers upon the Governor of the State of Louisiana emergency powers to deal with emergencies and disasters, including those caused by fire, flood, earthquake or other natural or manmade causes, in order to ensure that preparations of this State will be adequate to deal with such emergencies or disasters and to preserve the lives and property of the people of the State of Louisiana;

WHEREAS, Proclamation No. 111 JBE 2016, issued on August 12, 2016, and continued by Proclamation No. 127 JBE 2016, declared a state of emergency for the State of Louisiana due to the heavy rain and flooding, which continues to threaten the safety and security of the citizens of Louisiana;

WHEREAS, Executive Order No. JBE 16-58, signed August 17, 2016, transferred to the Commissioner of Insurance limited authority to suspend provisions of any regulatory statute of Title 22 of the Louisiana Revised Statutes of 1950 concerning the cancellation, termination, nonrenewal and/or reinstatement provisions of Title 22;

WHEREAS, thousands of Louisiana citizens have suffered damage to their residential, commercial residential or commercial property due to the historic flooding, and many such properties have been severely damaged or destroyed;

WHEREAS, insurers have been working diligently to adjust and pay claims, however, due to a shortage in building materials, contractors, construction workers or delays in claim payments, many policyholders will be unable to repair and/or reconstruct their residential, commercial residential or commercial property within typical time frames;

WHEREAS, the extended time period to repair and/or reconstruct residential, commercial residential or commercial property continues to affect the ability of Louisiana insureds to maintain or obtain personal residential, commercial residential or commercial property insurance for residential property or commercial property and has created an immediate threat to the public health, safety and welfare of Louisiana citizens; and

WHEREAS, the Commissioner has requested and deemed it necessary to extend the time period for which he is extended the authority to suspend provisions of any regulatory statute of Title 22 of the Louisiana Revised Statutes of 1950 concerning the cancellation, termination, nonrenewal and/or reinstatement provisions of Title 22 due to the continued impact of the flooding.

NOW THEREFORE, I, JOHN BEL EDWARDS, Governor of the State of Louisiana, by virtue of the authority vested by the Constitution and the laws of the State of Louisiana, do hereby order and direct as follows:

SECTION 1: Section 3 of Executive Order JBE 2016-58, signed August 17, 2016, shall be amended as follows:

This Order shall apply retroactively from Friday, August 12, 2016, and shall continue through Wednesday, October 12, 2016, unless amended, terminated, or rescinded by the Governor prior thereto.

SECTION 2: All other paragraphs, subsections, and sections of Executive Order JBE 2016-58 shall remain in full force and effect.

SECTION 3: This Order is effective upon signature and shall continue in effect through Wednesday, October 12, 2016, unless amended, terminated, or rescinded by the Governor prior thereto.

IN WITNESS WHEREOF, I have set my hand officially and caused to be affixed the Great Seal of Louisiana, at the Capitol, in the City of Baton Rouge, on this 12th day of September, 2016.

GOVERNOR OF LOUISIANA

ATTEST BY
THE GOVERNOR

SECRETARY OF STATE

State of Louisiana

EXECUTIVE DEPARTMENT
EXECUTIVE ORDER NUMBER JBE 2016-71

EMERGENCY SUSPENSION OF CERTAIN INSURANCE CODE PROVISIONS – AMENDED

WHEREAS, the Louisiana Homeland Security and Emergency Assistance and Disaster Act, La. R.S. 29:721 *et seq.*, confers upon the Governor of the State of Louisiana emergency powers to deal with emergencies and disasters, including those caused by fire, flood, earthquake or other natural or manmade causes, in order to ensure that preparations of this State will be adequate to deal with such emergencies or disasters and to preserve the lives and property of the people of the State of Louisiana;

WHEREAS, Proclamation No. 111 JBE 2016, issued on August 12, 2016, and continued by Proclamation No. 154 JBE 2016, declared a state of emergency for the State of Louisiana due to the heavy rain and flooding, which continues to threaten the safety and security of the citizens of Louisiana;

WHEREAS, Executive Order No. JBE 16-58, signed August 17, 2016, as renewed by Executive Order No. JBE 16-67, signed September 12, 2016, transferred to the Commissioner of Insurance limited authority to suspend provisions of any regulatory statute of Title 22 of the Louisiana Revised Statutes of 1950 concerning the cancellation, termination, nonrenewal and/or reinstatement provisions of Title 22;

WHEREAS, thousands of Louisiana citizens have suffered damage to their residential, commercial residential or commercial property due to the historic flooding, and many such properties have been severely damaged or destroyed;

WHEREAS, insurers have been working diligently to adjust and pay claims, however, due to a shortage in building materials, contractors, construction workers or delays in claim payments, many policyholders will be unable to repair and/or reconstruct their residential, commercial residential or commercial property within typical time frames;

WHEREAS, the extended time period to repair and/or reconstruct residential, commercial residential or commercial property continues to affect the ability of Louisiana insureds to maintain or obtain personal residential, commercial residential or commercial property insurance for residential property or commercial property and has created an immediate threat to the public health, safety and welfare of Louisiana citizens; and

WHEREAS, the Commissioner has requested and deemed it necessary to extend the time period for which he is extended the authority to suspend provisions of any regulatory statute of Title 22 of the Louisiana Revised Statutes of 1950 concerning the cancellation, termination, nonrenewal and/or reinstatement provisions of Title 22 due to the continued impact of the flooding.

NOW THEREFORE, I, JOHN BEL EDWARDS, Governor of the State of Louisiana, by virtue of the authority vested by the Constitution and the laws of the State of Louisiana, do hereby order and direct as follows:

SECTION 1: Section 3 of Executive Order JBE 2016-58, signed August 17, 2016, shall be amended as follows:

This Order shall apply retroactively from Friday, August 12, 2016, and shall continue through Thursday, February 9, 2017, unless amended, terminated, or rescinded by the Governor prior thereto.

SECTION 2: All other paragraphs, subsections, and sections of Executive Order JBE 2016-58 shall remain in full force and effect.

SECTION 3: This Order is effective upon signature and shall continue in effect through Thursday, February 9, 2017, unless amended, terminated, or rescinded by the Governor prior thereto.

IN WITNESS WHEREOF, I have set my hand officially and caused to be affixed the Great Seal of Louisiana, at the Capitol, in the City of Baton Rouge, on this 11th day of October, 2016.

/s/ John Bel Edwards

GOVERNOR OF LOUISIANA