

Common Constituent Questions About Hurricane Ida Mediation Program

What is mediation?

A mediator is a neutral third party who will sit down with you and your insurer, listen to both sides, and try to resolve the dispute. It is different from arbitration, where an arbitrator imposes a mandatory solution on the parties. The mediator will meet with both the insurer and policyholder together, and each side individually as they try to resolve the dispute.

How long are mediations in this program?

LDI's mediation program calls for 90 minutes of mediation time, which doesn't include any prep time that the mediator spends on the case. The goal of the mediation is that you walk out the door with a written agreement resolving all or parts of the dispute often in 90 minutes.

Who is eligible to participate?

The program is open to insurers who provide residential coverage in Louisiana and their policyholders for disputed claims of \$50,000 or less.

Who is not eligible to participate?

Residential disputes for claims over \$50,000 are not eligible for the program. Commercial property insurance disputes also are not eligible.

Why should I participate in the mediation program?

There's little harm in trying the program. You might resolve your dispute quickly. And if you don't, you had a face-to-face meeting with your insurer and conveyed important information about what's happening at your home, and you got to hear the insurer's explanations for why they're denying you coverage. Even if you don't reach agreement during your 90-minute mediation, what you learn could come in handy later.

Why is there a dollar limit for participating in the program?

We tried to find a place where an hour and a half of mediation could be helpful to the policyholder. If you had a total loss or a much larger claim, 90 minutes may not be sufficient to resolve the dispute, so we focused on where the program could make the greatest difference. This program is meant for insureds who are within a few thousand dollars of agreement with their insurer and need a little bit of help to find a number that works for all parties.

The same logic applies for commercial claims. Commercial policies are much more complex and specific to the individual business and disputes probably can't be resolved within 90 minutes.

How does the deductible factor into eligibility for mediation? Is the dollar limit gross or net of the deductible?

The dollar limit is net of the deductible. For example, if a policyholder has \$60,000 worth of damage and a \$10,000 deductible, they would still be eligible to participate since after they paid the deductible, the damage estimate does not exceed \$50,000.

What does it cost to participate?

The program is free for policyholders. The fee for mediation is \$600, but insurers are required to pay the cost according to Bulletin 2021-08.

If the parties have made progress but have not reached an agreement at the conclusion of the 90-minute session, they are welcome to work out an agreement with the mediator that they will continue discussions and pay for the services. Who pays for additional time would be determined by the parties to the mediation.

Where do mediations take place? Can they be virtual?

Mediations will take place in the metropolitan New Orleans or Baton Rouge areas. It is up to individual mediators to decide whether they want to accommodate requests for virtual sessions.

How do I sign up for mediation?

The program specifies that offers to mediate must be made in writing. Ask your insurer for details about how to file a written request. Either party can request mediation, and the other party is free to accept or decline because the program is voluntary. Once both parties agree to mediation, the insurance company reaches out to the mediators to start the process, and a mediator will follow up with you shortly to request information about your claim.

How much time does the insurer have to respond?

Bulletin 2021-08 does not include guidance on response times. Policyholders might consider adding an expiration time to their written mediation offer. At the news conference announcing the program, Commissioner Donelon said that if policyholders don't receive a timely response, they should file a complaint with LDI. Call 1-800-259-5300 x3 or file online at www.ldi.la.gov/onlineservices/ConsumerComplaintForm

What if I ask for mediation and the insurer never tells me yes or no?

This is a voluntary program so insurers don't have to participate. If you don't hear back from your insurer in a reasonable time or if they aren't in communication with you, a policyholder can move forward with any other remedies normally available.

What if I ask for mediation and my insurer says no?

The program is voluntary for both insurers and policyholders. If the insurer rejects mediation for a particular claim, the policyholder will have the same options available to them as if the mediation program did not exist, including filing a lawsuit.

What should I bring to the mediation?

Bring a copy of your policy, the adjuster estimate, contractor estimates, receipts, photos and anything else that you think would be helpful to make your case.

Can I bring someone with me?

You can bring anyone you want to the mediation -- including a lawyer or contractor -- but you need to provide their names to the mediator at least six days in advance.

When should I do mediation?

That's up to you. The program is expected to run through June 30, 2022.

This program gives you one more tool to successfully navigate your insurance claim. Those options include:

- Visit an insurance resource center/insurance claim town hall in storm-affected parishes. LDI consumer advocates can help you read your policy and answer general questions about insurance and claims.
- File a complaint with LDI so that we can investigate the problem and get answers. If you have further problems, we can always re-open your complaint.
- File supplemental claims with your insurer to ask for more money if repairs cost more than the claim check they gave you or if you find new damage.
- Go into mediation with your insurer through the LDI program and see if you can get a settlement.

All of these options are free.

How quickly does the insurer need to pay me after the mediation agreement?

Insurers are required to pay you within ten business days of an agreement being reached.

Are agreements reached in the program legally binding?

Yes. Once a written agreement is reached, both parties have to abide by it.

If I find new damage or discover that the amount of money paid to me from the mediation agreement is insufficient to repair, can I re-open my claim or the settlement?

That depends on the deal you strike in mediation. If you're concerned about that risk, make sure to cover that contingency in your discussion and include it in your settlement agreement.

What if I don't reach agreement with my insurer during mediation?

You just walk away and continue with other means of finding a settlement, including filing a lawsuit.



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1-800-259-5300
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