



LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON
COMMISSIONER

BULLETIN 2021-08 (REVISED AND REISSUED)

**TO: ALL AUTHORIZED PROPERTY & CASUALTY INSURERS AND
SURPLUS LINES INSURERS**

FROM: JAMES J. DONELON, COMMISSIONER OF INSURANCE

RE: HURRICANE IDA VOLUNTARY MEDIATION PROGRAM

DATE: JANUARY 3, 2022

Bulletin 2021-08, originally issued October 15, 2021, is being revised, in part, and reissued as amended to provide additional guidance. The original purpose of Bulletin 2021-08 was to establish a voluntary mediation program for all authorized property and casualty insurers and surplus lines insurers (hereinafter "insurers") and their policyholders. In the wake of property devastation caused in 2005 by Hurricane Katrina and Hurricane Rita, the Louisiana Department of Insurance ("LDI") issued Emergency Rule 22, which established a mandatory mediation program. The mediations conducted pursuant to Emergency Rule 22 resulted in the mediation of approximately 12,000 property damage disputes with a very high success rate. Given the success of that mediation program, the LDI is optimistic that a similar mediation program, to be known as the "Hurricane Ida Mediation Program" (the "Program"), could yield similar success.

Pursuant to Bulletin 2021-08, either the insurer or the policyholder may make a written offer to the other party to engage in voluntary mediation under the Program. The other party may accept or reject the offer of mediation.

Should all parties accept voluntary mediation under the Program, the mediation shall proceed pursuant to the following terms and conditions:

1. The Program is designed to mediate personal lines residential property insurance claims of up to \$50,000 in disputed property damages, exclusive of any policy deductible and stipulated damage amounts.
2. In order to begin the mediation process, the insurer or insured must contact one of the following participating mediation firms, who have both agreed to the terms of voluntary mediation set forth in this bulletin: maps Mediation & Arbitration Professional Systems [<https://maps-adr.com> (504)831-2141] or Perry Dampf Dispute Solutions [<https://www.perrydampf.com/> (225)389-9899]. The parties may request a specific mediator, but any such request is subject to availability and cannot be used to delay the prompt mediation of the dispute.


3. Once both parties have agreed to the terms of the mediation, the insurer must provide to the mediation firm the following information:
 - a. name, address, and daytime telephone number of the policyholder, and location of the property if different from the address given;
 - b. the claim and policy number for the policyholder;
 - c. a brief description of the nature of the dispute;
 - d. the name of the insurer and the name, address, and daytime telephone number of the insurer's contact for scheduling mediation;
 - e. information with respect to any other policies of insurance that may provide coverage of the insured property for named perils such as flood or windstorm.
4. Within five (5) business days after receiving the assignment, the mediation firm shall notify both parties in writing of their assignment to the parties' particular mediation.
5. Within five (5) business days after being contacted by the mediation firm, both parties shall provide to the mediation firm all relevant written documentation regarding the disputed claim and a short statement from each side as to why they have not been able to reach an amicable resolution.
6. The mediation firm may request additional documentation from either or both of the parties. The parties shall comply with any such request for additional documentation or provide an explanation as to why the party cannot comply.
7. The mediation firm will set the matter for mediation to occur within thirty (30) days of assignment.
8. If the policyholder elects to be represented by an attorney or other representative in the mediation, the policyholder shall provide the name of the attorney or other representative to the mediator at least six days before the date of the mediation.
9. All parties must negotiate in good faith.
10. The mediation firm will be in charge of the mediation and will establish and describe the procedures to be followed. Per La. R.S. 9:4107, the mediation firm shall conduct the mediation in accordance with the standards of professional conduct for mediation adopted by the American Bar Association.
11. Each party will be given an opportunity to present their side of the controversy. In so doing, parties may utilize any relevant documents and may bring any individuals with knowledge of the issues, such as adjusters, appraisers, or contractors, to address the mediator.

12. The mediation firm may meet with the parties separately, encourage meaningful communications and negotiations, and otherwise assist the parties to arrive at a settlement.
13. All statements made and documents produced at a mediation shall be deemed settlement negotiations in anticipation of litigation. The provisions of La. R.S. 9:4112 apply.
14. All in-person mediations shall be conducted in either the Baton Rouge metropolitan area or the New Orleans metropolitan area at an office or business location to be selected by the mediation firms named herein. There shall be no charge to the parties for use of the venue. Any party preferring to participate in the mediation remotely via telephone, Zoom, or similar electronic means will be permitted to do so, provided the mediator and all other parties to the mediation are notified of such preferences in advance of the mediation, and as needed to accommodate remote participation.
15. If an agreement is reached between the parties, the parties shall reduce the agreement to writing. Both parties shall sign the agreement signifying the portions of the claim dispute that have been resolved in whole or in part, including the specific dollar amount agreed to by both parties.
16. The insurer shall disburse the specific dollar amount agreed to by both parties to the policyholder within ten (10) business days of the conclusion of the mediation.
17. The cost of a mediation conducted as part of this Program shall be SIX HUNDRED DOLLARS, \$600.00, and shall be paid totally and solely by the insurer unless both parties agree otherwise.
18. The mediation session can last up to ninety (90) minutes of actual mediation with the parties. The ninety (90) minutes shall not include time spent on telephone calls, document review, research, or any other administrative tasks that the mediator may find necessary to prepare for the mediation.
19. If the parties reach a partial agreement as to the claim dispute, the parties may continue to utilize the services of the mediator after they have completed voluntary mediation under the Program. If the parties agree to further mediation, they will be responsible for any additional mediation expenses at the mediator's standard rate.
20. The Program began on Monday, October 18, 2021, and shall expire on June 30, 2022, unless terminated sooner by the Commissioner.

I urge and request that all insurers and policyholders utilize this voluntary mediation program to resolve their dispute on personal lines residential property insurance claims associated with damage caused by Hurricane Ida.

Any questions or concerns regarding Bulletin 2021-08 should be directed to the Louisiana Department of Insurance, Office of Property and Casualty, at public@ldi.la.gov.

Baton Rouge, Louisiana, this 3rd day of January 2022.



JAMES J. DONELON
COMMISSIONER OF INSURANCE