

# PUBLICATION

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## Louisiana DOI Issues Emergency Insurance Rule 26 in the Wake of Hurricane Isaac

September 10, 2012

On September 4, 2012, Louisiana Insurance Commissioner Jim Donelon issued an Emergency Rule affecting all policyholders impacted by Hurricane Isaac. The action taken by Commissioner Donelon was authorized by Governor Bobby Jindal's Executive Order [BJ 2012-16](#), granting the Commissioner temporary authority to implement emergency insurance rules.

Rule 26, which is effective from August 26 until September 25, 2012, is similar to the emergency rule issued by the Louisiana DOI following Hurricane Gustav in 2008, and applies to all Louisiana policyholders and to every type of insurance. Although each insurer should carefully review Rule 26 in order to ascertain how it may impact their lines in Louisiana, the Rule contains the following noteworthy provisions.

- Policyholders affected by Hurricane Isaac were given an extension of time, until September 25, 2012, to pay insurance premiums due on or after August 26, 2012. Policyholders will not incur any late fees, penalties, cancellation or non-renewal.
- Louisiana policyholders with health insurance coverage may receive out-of-network medical care; any restrictions that a health plan may place on dispensing of drugs are not applicable and a consumer can receive a 30-day supply of prescription medication without penalty.
- Insurers cannot cancel or non-renew any policy of insurance during the time period specified.
- No policy of insurance can be cancelled or non-renewed because of a Hurricane Isaac claim.

[Click here](#) to view Emergency Rule 26 in full.

It remains to be seen how significantly Hurricane Isaac will impact the Industry. The most destructive aspects of the storm appear to be flood related. Three Louisiana parishes in particular – St. Tammany, Plaquemines and St. John the Baptist – experienced a significant amount of flooding. Due to the extremely slow pace of the storm, however, demographers have estimated that there were 54 hours of sustained winds over 39 miles per hour. By comparison, Hurricane Katrina had equivalent winds for 21 hours, or less than half that time. As with any multi-peril event, loss causation may be an issue.

For advice or assistance with hurricane-related issues, please contact your Baker Donelson attorney, or the Co-Chairs of the Hurricane Isaac Response Team listed below.

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