

Louisiana Property and Casualty Insurance Commission

**Louisiana Department of Insurance
James J. Donelon, Commissioner**



**Legislative Recommendations
Annual Report to the Legislature
2007 – 2008**

Louisiana Department of Insurance

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Table of Contents

I. Brief Legislative History and Purpose	2
II. Membership	2
III. Meetings and Presentations	5
IV. Legislative Recommendations for the 2008 Regular Session	7
V. Support Summaries for the Legislative Recommendations	8
VI. Continuing Study Issues	14
VII. Overview	15
VIII. Appendix	16
Legislation Enacted from the 2006-2007 LPCIC Annual Report of Legislative Considerations - 2007 Regular Session	

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I. Brief Legislative History and Purpose

In 1997, the Louisiana Legislature created the Council on Automobile Insurance Rates and Enforcement (CAIRE) to undertake a comprehensive study and provide oversight and recommendations aimed at enforcement of those laws and programs that affect automobile insurance rates. CAIRE researched and studied many ideas that have been beneficial in the area of lowering automobile insurance rates.

Due to CAIRE's thorough studies of law enforcement and the automobile insurance situation in the state, the Louisiana Legislature expanded CAIRE's realm of study in 2001 to include not only automobile insurance but also homeowners insurance and workers' compensation insurance, thus forming the Louisiana Property and Casualty Insurance Commission (Act No. 187 of the 2001 Regular Session, R.S. 22:15). The Louisiana Property and Casualty Insurance Commission (LPCIC), which consists of three ad-hoc committees (Automobile, Homeowners and Workers' Compensation) has been given the task of reviewing and examining the availability and affordability of property and casualty insurance in the state of Louisiana.

During the 2003 Regular Legislative Session, Act No. 590 amended and changed the makeup of the Louisiana Property and Casualty Insurance Commission. The Act also designated the ad-hoc committee memberships.

II. Membership

The amended Commission membership consists of a 22-member panel. A representative of law enforcement or his designee is now selected jointly by the superintendent of the

Louisiana State Police, the secretary of the Department of Public Safety and Corrections, the president of the Louisiana Association of Chiefs of Police and the president of the Louisiana Sheriffs' Association. Representatives of two national trade organizations and one state organization were added to the membership.

The Commission is composed of members of the Legislature, designees from the office of the governor, insurance commissioner, attorney general, assistant secretary representing the Office of Motor Vehicles, Louisiana Highway Safety Commission, Louisiana District Attorneys Association and chairperson of the Louisiana Insurance Rating Commission, along with representatives of the Independent Insurance Agents/Brokers of Louisiana, Professional Insurance Agents of Louisiana, Property Insurance Association of Louisiana, Louisiana Workers' Compensation Corporation, Department of Labor and consumers.

Louisiana Property and Casualty Insurance Commission Members as of December 2007:

Jeff Albright

Independent Insurance Agents/Brokers of Louisiana

Lorrie K. Brouse

AAI Representative

H. Marcus "Marc" Carter

LAFAC, Inc. Representative

Colonel James Champagne

Louisiana Highway Safety Commission

The Honorable Rick Farrar

Vice Chair, House Committee on Insurance

Theodore M. "Ted" Haik, Jr., Chairman/Commission
Consumer Representative, House of Representatives

Joseph Deutsch

Property Insurance Association of Louisiana

Tom O'Neal

Consumer Representative, Louisiana Senate

The Honorable Earl Taylor

Louisiana District Attorneys Association

Kimberly Robinson

Office of the Governor

James J. Donelon

Commissioner of Insurance

Christine T. Berry, Ph.D.

Louisiana Insurance Rating Commission

The Honorable James D. Cain

Chairman, Senate Committee on Insurance

The Honorable Karen R. Carter

Chairperson, House Committee on Insurance

Richard A. Clements, Vice Chairman/Commission
Professional Insurance Agents of Louisiana

Nicholas Gachassin

Attorney General's Representative

Steve Hymel

Commissioner, Office of Motor Vehicles

F. Charles "Chuck" McMains

PCI Representative

Richard L. Stalder

Secretary, Department of Public Safety&Corrections

Aubrey T. Temple, Jr.

Chairman, LWCC Board of Directors

The Honorable Julie Quinn

Senate Committee on Insurance

Karen R. Winfrey

Office of Workers' Compensation, Dept. of Labor

During the 2007 Regular Session, Act No. 459 abolished the Louisiana Insurance Rating Commission effective January 1, 2008, therefore eliminating their representative from the LPCIC. Act No. 459 provided an additional appointee for the Commissioner of Insurance to the LPCIC. The membership also reflects the change of administration as of January 2008.

Louisiana Property and Casualty Insurance Commission Members as of February 2008:

Jeff Albright

Independent Insurance Agents & Brokers of Louisiana

Chris Broadwater

Office of Workers' Compensation, Dept. of Labor

Lorrie Brouse

AAI Representative

H. Marcus "Marc" Carter

LAFAC, Inc. Representative

Colonel James Champagne

Louisiana Highway Safety Commission

Richard A. Clements

Professional Insurance Agents of Louisiana

The Honorable Page Cortez

House Committee on Insurance

The Honorable Donald R. Cravins, Jr.

Chairman, Senate Committee on Insurance

Theodore "Ted" M. Haik, Jr.

Consumer Representative, House of Representatives

Steve Hymel

Commissioner, Office of Motor Vehicles

Rick McGimsey

Attorney General's Representative

F. Charles "Chuck" McMains

PCI Representative

The Honorable Nickie Monica

House Committee on Insurance

The Honorable Dan "Blade" Morrish

Senate Committee on Insurance

Tom O'Neal

Consumer Representative, Louisiana Senate

The Honorable Earl Taylor

Louisiana District Attorneys Association

Aubrey T. Temple, Jr.

Chairman, LWCC Board of Directors

James J. Donelon

Commissioner of Insurance

Staff

Terrell B. Moss, Director

Joyce R. Paul, Assistant Director

David M. Evans, Insurance Compliance Examiner Supervisor

Katie C. Walsh, Insurance Compliance Examiner Specialist 2

Vacancies on the Commission

Office of the Governor

Commissioner's Appointee (Act No. 459)

Law Enforcement Representative

Property Insurance Association of Louisiana Representative

III. Meetings and Presentations

The Louisiana Property and Casualty Insurance Commission met five times during this reporting period to study and discuss the issues and problems that are affecting the property and casualty insurance market in the state.

Legislative issues have continued to be carefully monitored and discussed, and the 2007 Regular Session yielded changes for the Louisiana Insurance Rating Commission. This commission was abolished and its duties have transferred to the Commissioner of Insurance, with rates being subject to a “modified prior approval” system. The Insure Louisiana Incentive Program was enacted to attract new property insurers to the state through a matching grant program. The sum of \$100 million was allocated by the Legislature and approved by the governor for this incentive.

Other new legislation discussed dealt with the extension of the time period for filing a claim; adjustments for calculating assessments for Louisiana Citizens Property Insurance Corporation (Citizens) and providing for a “take out” program of policyholders; premium discounts for compliance with the Louisiana State Uniform Construction Code and/or wind mitigation improvements and the creation of the Office of Consumer Advocacy.

An overview of the insurance industry on the state and federal level was presented by the national president-elect of the Professional Insurance Agents. Positive feedback created by the most recent legislation has been helpful to Louisiana’s image, and more emphasis should be placed on the promotion of these landmark laws. Development of federal catastrophic event coverage and revisions to the National Flood Insurance Program should be closely monitored.

During this reporting period, the Commission received periodic updates on the Insure Louisiana Incentive Program and Louisiana Citizens Property Insurance Corporation. Information was reported on the development of the regulation necessary to implement the Incentive Program, with the finalization of Regulation 82 in December 2007. Decisions on the grant awards were made by Department of Insurance officials and forwarded to the Louisiana Joint Legislative Committee on the Budget for review and approval before any monies were disbursed. By January 2008, five companies received grants, totaling \$29 million. A second round of applications was accepted for the remainder of the Incentive Program grant money beginning February through March 2008. The program will provide needed competition, insurance rate relief and more coverage options for the people of Louisiana.

Citizens has made progress with their required financial statements, computer system review and overall analysis of needs. Depopulation of Citizens is actively being pursued through the Incentive Program and by four to six other interested companies. This could result in a significant reduction of exposed value and the need for assessment in the event of a

catastrophic loss. Requests for Proposals are on schedule for a reinsurance broker and service providers, whose contracts will expire later in the year.

A summation of the Louisiana State Uniform Construction Code, from enactment through implementation, was reported to the Commission. The chairman of the state code council noted the exceptional progress made in establishing code offices, certifying inspectors and the overall compliance with the building code throughout the state.

In response to a request from the Commission, the executive director of the Property Insurance Association of Louisiana presented a historic overview and synopsis of the current operation of the organization. It was pointed out that Louisiana remains one of six states that retain an independent rating bureau.

“Reinsurance Industry Overview,” a presentation and outline which provided information on the following topics: Industry Overview/Impact of Catastrophic Events, Reinsurance Basics and Reinsurance Industry Volatility and Trends, was presented to the Commission by executives from the major reinsurance broker, Aon Re. The effect that catastrophic events have on the reinsurance industry was highlighted by focusing on the trends over the last 20 years from some of the major events, i.e. Hurricane Andrew, the California earthquake in '94, and Hurricanes Katrina and Rita. Reinsurance industry trends reflect catastrophic events and impact the availability and affordability of property insurance. A comparison of state versus private reinsurance included pre vs. post event funding, geographic risk diversification, security of loss recovery, subsidized pricing and fluidity of replacement capital. Two suggestions by the guest speakers included the need for contract certainty and competition, which would result in creating a better atmosphere for the reinsurance industry and bringing new business into the state.

Recommendations to improve highway safety were introduced to the Commission for consideration and approval. The Department of Insurance presented property and casualty insurance issues that were relative to the Commission’s area of studies for consideration and approval.

All of the concepts presented were thoroughly discussed and the Commission voted to approve the recommendations that are presented in this annual report to the Legislature.

The Louisiana Property and Casualty Insurance Commission will continue to study various issues from the recommendations of the members, and always welcomes any public comments at all meetings. The Commission will continue to bring in regional and national experts for reporting and analysis on all issues deemed pertinent to satisfy its statutory responsibilities.

IV. Legislative Recommendations for the 2008 Regular Session

- 1. Prohibit those under 18 years of age from driving while using a cell phone or other wireless communication device.**
- 2. Ban radar detectors or radar “jammers” while operating a motor vehicle upon the public highways of Louisiana. Presence of the device in the operated motor vehicle creates a presumption that it is operative.**
- 3. Prohibit the presence of persons under 21 years of age in bars or microbreweries by creating the crime of unlawful presence.**
- 4. Mandate usage of safety belts by all occupants of cars, vans and pick-up trucks where a safety belt is provided by the vehicle manufacturer for the seating space used.**
- 5. Increase the fines for refusing to utilize a safety belt while operating a motor vehicle. Penalty would be punishable by increasing fines for each subsequent offense.**
- 6. License captive insurance companies in Louisiana.**
- 7. Abolish the Property Insurance Association of Louisiana (PIAL) and allow an industry service bureau to assume those functions.**
- 8. Make adjustments to the Insure Louisiana Incentive Program such that:**
 - a. The “claw back” provision is allocated on a pro-rata basis rather than total.**
 - b. A “drop dead” date is added for compliance with the grant program.**
 - c. A third offering is allowed for companies to apply for the remainder of the \$100 million of dedicated grant money.**
- 9. Require Vehicle Mechanical Breakdown insurers to file their policy forms with the Department of Insurance.**
- 10. Permit zone deductibles and prohibit the stacking of deductibles on personal lines property insurance claims.**

V. Support Summaries for the Legislative Recommendations

1. Summary: Prohibit Usage of Cell Phone/Wireless Device while Driving/Age Limit

Every year for the past decade, between 5,000 and 6,000 teenagers were killed in motor vehicle crashes. No other hazard comes closer to claiming as many teen lives. There are enough crashes involving teenagers without the additional distraction of texting or talking on a cell phone or using other wireless devices.

A recent survey by Students Against Destructive Decisions (SADD) showed that teens considered sending text messages their biggest driving distraction. If this distraction is not prohibited, the situation could rival drunk driving as a risk factor in crashes. Many surveys and studies point to the fact that cell phone use is highest among young drivers.

Cell phones or texting have been linked to several fatal crashes around the country, including the 2007 fiery crash that left five New York state cheerleaders dead. Police said text messages were sent to and from the 17 year old driver seconds before her vehicle crossed in to the opposite lane, hitting a tractor-trailer.

Five states (California, Connecticut, New Jersey, New York and Washington), the District of Columbia and the Virgin Islands have laws prohibiting driving while talking on handheld cell phones. Seventeen states and the District of Columbia have special cell phone driving laws for beginning drivers.

Effective July 1, 2008, teenage drivers in California are prohibited from using all electronic devices such as cell phones, pagers and laptops while driving. Washington and New Jersey are the only states to ban text messaging for all drivers. Legislation is being considered this year in Virginia, New Hampshire and Maryland concerning texting while driving, with other states expecting to follow suit.

2. Summary: Ban Radar Detectors

Speed limits are important because they are proven to prevent vehicle crashes and save lives. Using a radar detector encourages and allows motorists to drive at unsafe speeds.

Legislation that bans the use of radar detectors protects the public from drivers who think they can speed with impunity by using such devices. Such legislation is a positive step in protecting Louisiana families on roads and highways from speeding drivers.

Speeding is one of the most prevalent factors contributing to traffic crashes. According to the National Highway Traffic Safety Administration (NHTSA), the economic cost of speed-related crashes is estimated to be \$40.4 billion each year.

The use of a radar detector in a passenger vehicle is illegal in Virginia and Washington, D.C., on all military bases and in commercial vehicles weighing over 10,000 pounds in all fifty states. Laser jammers and radar jammers are illegal in the states of Nebraska, Minnesota, Utah, California, Oklahoma, Colorado, Illinois, Virginia and Washington, D.C.

3. Summary: Prohibit Under Age of 21 in Bars

According to the Louisiana Highway Safety Commission, Louisiana has already joined all other states in raising the legal drinking age to 21. However, our law allows those 18 to 20 years of age to enter bars. Hardly a month goes by that we don't read about another tragedy somewhere in Louisiana involving teenagers who were too young to be legally drinking but had visited a bar prior to a devastating crash.

Statistics for the 18 to 20-year-old group are startling and tragic. In 2007, drivers in this group had the highest alcohol-related crash rate in Louisiana. While this age group made up only five percent of licensed drivers in 2007, they made up 12 percent of drivers involved in alcohol-related crashes. In 2006, almost 1,950 DWI tickets were issued to drivers in Louisiana younger than 21.

In Louisiana, driving under the influence of alcohol remains a top safety issue. Of particular concern is the involvement of drivers under the age of 21.

The present state law makes it illegal for persons under the age of 21 to buy, consume or have an alcoholic beverage in their possession. Prohibiting the legal presence of 18 to 20-year-olds in a bar or microbrewery reduces the possibility of underage drinking and encourages compliance with the present law.

4. Summary: Seat Belt Usage for All Occupants

As of January 2007, 26 states have primary safety belt laws, averaging 88 percent usage. Louisiana, a primary law state, reported that 75.2 percent of front-seat motorists were buckled up, falling well below the primary state average. The overall national rate for seat belt use was 82.4 percent in 2007.

As reported year after year, seat belts reduce the risk of being killed in a crash by 45 percent and the risk of moderate to critical injuries by 50 percent. In 2007, 311 drivers killed in Louisiana were not wearing a seat belt, equaling approximately 63 percent of the known cases. Sixty-nine percent of **all** occupants (5 years and older) killed were not wearing a seat belt.

Ejection from a vehicle is one of the most injurious events in a crash, usually ending in death for the person involved. Seat belts are a major preventive measure in combating such events.

In 2007, a total of 193 people were ejected from their vehicles in Louisiana, including 134 drivers and 59 occupants, resulting in death.

Nationally, seat belts saved an estimated 15,383 lives in 2006, and if **all** passenger vehicle occupants had worn seat belts, 20,824 lives could have been saved according to NHTSA. That is an additional 5,441 lives saved.

In Louisiana, 64 back seat passengers were killed, 48 received severe injuries and 309 received moderate injuries in 2007. Numerous lives could be saved and injuries prevented if everybody in a vehicle was required to wear a seat belt.

5. Summary: Increase Seat Belt Fines

The outcome of repeated studies reflects that seat belts save lives when properly used. Louisiana is one of 26 states which classify safety belt violations as primary offenses, meaning a vehicle's occupant may be stopped and charged solely for a safety belt infraction.

Currently in Louisiana, failure to comply with this law results in the following punishable fines: 1st offense-\$25 fine including court costs, 2nd offense-\$50 fine including court costs, and 3rd offense-\$50 fine plus all costs of court.

Compared to the other primary law states, Louisiana's fines fall in the mid-range. Some of the most costly fines are found in Texas (\$200), Washington (\$101), Oregon (\$75), as well as Washington D.C. and New York (\$50). A study conducted by NHTSA on the effect of various provisions of seat belt use laws found that for each \$1 in fine leveled, states tend to gain approximately 0.08 percent higher seat belt usage.

Texas, the state with the highest fine for seat belt infractions, has a 90.4 percent effective seat belt usage rate. Washington ranks highest with 96.3 percent usage and is also the state with the second highest fine. Oregon also ranks extremely high in effective seat belt usage (94.1 percent) and carries a significantly higher fine than Louisiana.

Louisiana continues to rank among the lowest of primary law states for seat belt usage, reporting 75.2 percent of the driving population wearing seat belts. Since the passage of the primary seat belt law, the state has slowly climbed from 67.1 percent in 1999 to 75.2 percent in 2007.

In order to convey the importance of proper seat belt usage to the 25 percent of Louisiana citizens who consistently do not buckle up, we must look at the conclusions presented by the NHTSA study.

Higher seat belt fines effectively promote higher seat belt usage. The fines should be increased in the state of Louisiana to promote this life saving measure and enhance compliance with the law.

6. Summary: License Captives in Louisiana

A captive insurer is a company that is owned or controlled by its policyholders, thereby enhancing the parent company's ability to control its own insurance costs. Through captives, businesses have access to broader, less expensive insurance markets. Reinsurance is more accessible with favorable premiums and higher limits of coverage. Premiums paid to a captive insurance company receive favorable federal tax treatment as a business expense deduction.

In February 2008, the Internal Revenue Service withdrew a proposed rule that would have removed favorable tax treatment for captives.

The Commissioner of Insurance wants to license captive insurers in Louisiana. The Department has initially chosen to include just two types of captive insurers, which are pure and association captives.

A pure captive insures the risks of its parent and affiliated companies.

An association captive is an insurance company established by a trade group or other association to provide selected types of primary insurance and/or liability insurance for members of the association.

There are approximately 30 states in the country that allow the formation of captives. This year, Michigan became the most recent state to join those allowing captives. Vermont, Hawaii and South Carolina are the top three domiciles for captives. From 2006 to 2007, the number of captives in the United States rose from 1,259 to 1,428, according to *Business Insurance*.

The licensing of captives in Louisiana will provide additional flexibility for commercial insureds to meet their insurance needs.

7. Summary: Abolish PIAL

The Property Insurance Association of Louisiana, the state rating bureau, has roots back to the 1800's. At that time state rating bureaus were established because there was no regulation. These bureaus established and maintained adequate rates, controlled excessive producer commissions and standardized policy forms.

In the seventies, nine of the state bureaus formed the Insurance Service Office (ISO) to meet the growing need for greater consistency across state lines. This began a shift towards national service bureaus instead of individual state bureaus.

Today, there are three major national bureaus: Insurance Service Office (ISO), American Association of Insurance Services (AAIS), and the National Council on Compensation Insurance (NCCI-workers' compensation only).

These national service bureaus standardized policy forms, developed a manual on rules and rating procedures, and developed advisory loss cost rating information.

Although the PIAL has served the state well in the past, Louisiana remains one of only six states (Mississippi, North Carolina, Washington, Idaho and Hawaii) that retain its independent rating bureau.

Abolishing the PIAL would put Louisiana in line with the majority of the rest of the country, thereby making us more attractive to the insurance industry without sacrificing any current services.

8. Summary: Adjustments to Insure Louisiana Incentive Program

The Insure Louisiana Incentive Program was enacted during the 2007 Regular Session of the Legislature (Act No. 447) to address the critical need for adequate and affordable residential and commercial property insurance in Louisiana by attracting new property insurance market capacity through a matching grant program. The Legislature dedicated \$100 million to fund the grants.

The carrier has five years to meet the requirements of the program. If the carrier does not meet the requirements of the program, the Commissioner of Insurance may use a claw back provision to seek return of the grant funding.

The clarification of the existing claw back provision must be adjusted to specify that the return is on a pro rata basis.

The Incentive Program has resulted in a total of \$29 million in grant money being awarded to five insurers. It is anticipated that additional insurers will apply if a third offering is permitted.

The Insure Louisiana Incentive Program is a unique opportunity beneficial to both the citizens of Louisiana and participating insurers. This opportunity should be continued by allowing a third public offering.

9. Summary: Vehicle Mechanical Breakdown Insurance

Vehicle Mechanical Breakdown Insurance (VMBI) is commonly known as vehicle service agreements or extended warranty agreements, and in Louisiana includes other customer assistance and convenience services, such as vehicle rental, towing and roadside assistance

and trip interruption. VMBI has been regulated in the state since 1978 with the passage of Act No. 520 (codified at R.S. 22:1800 through 1812).

VMBI insurers are required to be licensed by the commissioner of insurance, maintain solvency through adequate loss reserves and report premiums received and reserves for future losses to the commissioner annually. However, VMBI insurers have been exempt from the requirement imposed on most other admitted insurers that their policy forms be filed with and approved by the commissioner prior to use in the state.

The only standard currently imposed on VMBI policy forms regards cancellation and refund of unearned premium requirements as set forth in 1998 in Regulation 64 (LAC 37:XIII.4701 et seq.) Those consumer complaints received by the Department of Insurance through the years reveal inconsistent compliance with Regulation 64, as well as occasional licensing issues and ambiguous general policy wording.

The requirement that VMBI policy and application forms be submitted to the Department of Insurance for review and approval prior to use will provide the citizens of Louisiana with a more consistent contract without inhibiting competition or the variety of products marketed as vehicle mechanical breakdown insurance.

10. Summary: Permit Zone Deductibles

Current law prohibits an insurer from unilaterally increasing the deductible on an insured's homeowner policy that has been in effect and renewed for more than three years (with limited exceptions) unless the insurer increases the policy deductible for all homeowner policies in the state. [See R.S. 22:635(C) and 636.2(D)]

The deductible can be used by the insurer to reduce its risk to certain covered perils and by the insured to reduce premium, if the insured is allowed to elect a higher deductible. Policy deductibles vary by the circumstances to which they are applied ("all-perils," "wind and hail," "named storm," or "hurricane") and the amount (fixed dollar amount or percentage of insured value).

Our law is unique among the 50 states and remains one of the reasons the insurance industry cites as an impediment to doing business in Louisiana. The exposure to catastrophic loss through hurricanes distinguishes coastal and southern Louisiana from the central and northern part of the state.

By permitting insurers to limit their hurricane exposure through their own determination of the amounts of the deductible offered in any particular geographic region or zone, Louisiana will continue to progress toward greater availability of property insurance in the state at prices more in line with geographic risk.

Summary: Prohibit “Stacking” Deductibles

Following the hurricanes of 2005, the Department of Insurance received a number of complaints from consumers whose manufactured homes had been subject to a deductible for each coverage (i.e. dwelling, personal property, other structure) under their policy. In effect, a single claim resulted in a multiple or stacked deductible.

The Department determined that this “stacking” of deductibles was occurring only in manufactured home policies and limited to a few insurers. The policy form language and the premium rate structure had been approved in the absence of any prohibitive law.

This practice of stacking deductibles in manufactured home property insurance created an undue hardship on those least able to afford it and should be prohibited across all personal lines property insurance in order to avoid more widespread problems in the future.

The Louisiana Property and Casualty Insurance Commission submits these recommendations for consideration and strongly endorses legislative action in support of these concepts.

VI. Continuing Study Issues

The Louisiana Property and Casualty Insurance Commission will continue to study various property and casualty issues throughout the year. Promoting the return of insurers to the state will continue to be a major focus of the Commission.

The Commission will continue their study and review of the state uniform building code, with emphasis on the parishes most devastated by the 2005 storms. Refinement of the code will continue to be an area of study, especially as it impacts the costs of insurance.

The Commission will continue to monitor all pertinent state and federal legislation. Highway safety issues and enforcement will continue as a priority.

The Commission staff will continue to attend the various meetings around the state that promote and advance these topics.

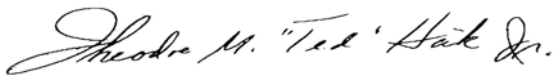
VII. Overview

We trust this report will have some impact on legislation in the 2008 Regular Legislative Session.

The Louisiana Property and Casualty Insurance Commission understands one of the best ways to respond to the ever changing insurance environment is to adopt reforms that will promote a healthy, competitive insurance marketplace in Louisiana.

A systematic study of insurance in auto, property and workers' compensation markets will continue to be a hallmark of this Commission.

The Louisiana Property and Casualty Insurance Commission is committed to working with the Department, the Legislature, the insurance industry and all interested stakeholders to increase the affordability and availability of insurance in the state of Louisiana.



Theodore M. "Ted" Haik, Jr.
Chairman



Richard A. Clements
Vice Chairman



Terrell Barham Moss
Director

VIII. Appendix

Legislation Enacted from the 2006-2007 LPCIC Annual Report of Legislative Considerations - 2007 Regular Session

Support the existing tax credit to offset the Louisiana Citizens Property Insurance Corporation's assessment.

Senate Bill 211 – Act 382 clarifies existing law- provides for tax credit form

Encourage the Legislature to abolish the Louisiana Insurance Rating Commission and encourage the continued development of a strong consumer advocate department within the Department of Insurance.

*House Bill 960 – Act 459 abolishes the Louisiana Insurance Rating Commission
Senate Bill 205 – Act 222 creates the Consumer Advocate in the Department of Insurance*

Endorse the concept of enhancing the penalty when one engages in drag racing.

Senate Bill 215 – Act 128 provides for penalties for persons involved in illegal speed contests

Require mandatory alcohol ignition interlock devices as a component of any restricted hardship driver's license where the suspension to the license occurs due to operation of a vehicle under the influence of alcohol or refusal to submit to test for blood alcohol content subsequent to a DWI arrest.

House Bill 652 – Act 413 amends provisions of law regarding interlock devices

Strong enforcement of statewide building code.

*House Bill 704 – Act 335 provides for changes to the State Uniform Construction Code
House Bill 629 – Act 364 pertaining to commercial construction*

Limit Flood Risk.

SCR 11 approved the CPRA Master Plan for Coastal Protection

Increase Consumer Education.

Senate Bill 205 – Act 222 creating the Consumer Advocate and the Consumer Bill of Rights enhancing consumer education

Maintain the economic viability of Louisiana Citizens Property Insurance Corporation.

House Bill 472 – Act 235 provides relative to the recoupment of Citizens’ assessments

Long term investment in Louisiana.

House Bill 678 – Act 447 establishes the Insure Louisiana Incentive Program

Protect Insurance Contracts.

Relating to insurance contracts:

House Bill 381 – Act 43 provides an insurance policy may not limit the insured’s right of action against the insurer to a period of less than two years

House Bill 596 – Act 156 provides for the protection of innocent coinsureds and the effect of misrepresentation of an insured to an insurer

Provide government incentives to encourage retrofit of building codes.

Senate Bill 182 – Act 467 grants a “construction code retrofitting deduction”

Senate Bill 37 – Act 462 excludes storm shutter devices from state sales tax

House Bill 558 – Act 323 provides for premium discounts or other adjustments for compliance with building codes and for damage mitigation