

# **Louisiana Property and Casualty Insurance Commission**

**Annual Report 2018 – 2019**



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

Louisiana Department of Insurance

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# Louisiana Property and Casualty Insurance Commission

## Message from the Chairman

I am pleased to present the 2018-2019 Annual Report of the Louisiana Property and Casualty Insurance Commission (LPCIC). The members of the commission represent consumers, the insurance industry, agencies across state government, and law enforcement. Our goal is to improve the state's insurance market by reviewing and examining issues affecting the availability and affordability of property and casualty insurance in the state of Louisiana.

Currently, Louisiana has the second highest auto insurance rates in the nation as determined by several sources. This Annual Report includes information from several public websites that provide auto insurance information and use different methods to calculate average insurance premiums. Regardless of the method used, Louisiana is the second highest.

The Louisiana commercial auto insurance market is in crisis. Businesses leave the state because they are unable to obtain or afford auto insurance. Some insurers are going so far as to exclude coverage for vehicles operated in certain parishes.

There are many reasons for our high insurance rates, but there is an opportunity for you to effect a real solution to a major part of the insurance and highway safety problem. The Professional Insurance Agents of Louisiana (PIA), through Representative Huval, is sponsoring Distracted Driving Legislation in the upcoming legislative session. According to the National Highway Traffic Safety Administration (NHTSA), each year distracted driving related motor vehicle crashes kill over 3,331 people and injure over 387,000. Even with significant under reporting of distracted driving, these numbers are staggering and hard to ignore. People are dying.

The commission has had a productive year with presentations and discussions on a range of subjects. I trust that you will find this report useful as a source of information in developing legislation and public policy.

Louis G. Fey, Jr., CPCU, CIC, CRM, AIC

## Membership and Staff

### Members of the Louisiana Property and Casualty Insurance Commission as of January 31, 2019:

**Louis G. Fey, Jr., Chairman**  
Professional Insurance Agents of Louisiana

**The Honorable Noble Ellington**  
Designee—Office of the Governor

**The Honorable Kirk Talbot**  
House Insurance Committee Chair

**The Honorable Mike Huval**  
House Insurance Committee Member

**Raymond Aleman, Jr.**  
Commissioner's Appointee

**Sheral Kellar**  
Louisiana Workforce Commission (OWCA Director)

**The Honorable Earl Taylor**  
Louisiana District Attorneys Association

**Michael Guy**  
Attorney General's Designee

**Julius W. "Will" Grubbs, Jr.**  
Consumer Representative, Speaker of the House

**Marc Carter**  
LAFAC, Inc. Representative

**Shawn Collins**  
NAMIC Representative

**Joe O'Connor**  
Property Insurance Association of Louisiana

**Staff:** Thomas D. Travis, Director  
Ron Williams, Assistant Director

**Jeff Albright, Vice Chairman**  
Independent Insurance Agents & Brokers of Louisiana

**The Honorable James J. Donelon**  
Commissioner of Insurance

**The Honorable Dan Morrish**  
Senate Insurance Committee Member

**The Honorable Ronnie Johns**  
Senate Insurance Committee Member

**Lisa Freeman**  
Louisiana Highway Safety Commission

**The Honorable Karen St. Germain**  
Commissioner of Motor Vehicles

**The Honorable Gregory Champagne**  
Law Enforcement Representative (Sheriff of St. Charles)

**Ron Henderson**  
Deputy Commissioner of Consumer Advocacy, LDI

**Christopher S. Haik**  
Consumer Representative, President of the Senate

**Leslie Sallean**  
Louisiana Surplus Lines Association Representative

**Noryn Ward**  
PCI Representative

**Paul Buffone**  
LWCC Representative

## **State of the Market: Quick Facts (as of December 31, 2018)**

### **Automobile:**

- The voluntary market remains competitive but challenging for both private passenger auto (PPA) and commercial auto (CA).
- There is little competition for some commercial trucking programs, e.g. logging, school bus.
- The Greater New Orleans and Baton Rouge areas continue to pay the highest rates.
- Market-wide insurance premium increase for 2018:
  - PPA—2.1% following 8.7% in 2017
  - CA—7.2% following 5.5% in 2017
- In 2016, Louisiana ranked highest in PPA combined average cost of insurance at \$1,496.11 for liability and physical damage coverages according to the most recent NAIC data.

### **Homeowners':**

- The voluntary market remains competitive after its re-establishment following 2005.
- Insurance market stabilized due to increased number of insurers.
- Twenty-eight (28) new insurers writing in Louisiana that were not here in 2005.
- Residual market share of Louisiana Citizens continues to decrease due to depopulation program and increased competition.
- Citizens' market share for the homeowners' market decreased from 9.8% to 0.5% since 2008, which is a 95% decrease in the homeowners' market share since 2008. (Note: this market share is the homeowner line of business and does not include residents insured under fire or allied lines (e.g. wind only).
- Statewide average market-wide homeowner insurance premium increase of only 0.7% in 2018 following 1.6% in 2017.
- Louisiana ranked first in the average cost of homeowners' insurance in 2016 at \$1,967; Florida ranked third at \$1,918; Texas ranked second at \$1,937 according to the most recent NAIC data.
- Homeowners' rates increases from 2007-2016 were at a slightly lower rate than the national average during that period.

### **Workers' Compensation:**

- Claim frequency decreased in recent years, but medical severity has changed little.
- Market-wide insurance premium decrease of 1.2% in 2018, which decreased across all industry groups, according to the most recent NCCI data.
- Statewide 5.6% decrease in NCCI loss costs approved for 2019 after a 0.4% increase in 2018 loss costs, the first increase in 5 years.
- Over the last 10 years, workers' compensation loss costs have decreased by 17%.
- Over the last 20 years, workers' compensation loss costs have decreased by 51%.

## **History and Purpose of the LPCIC**

In 1997, the Louisiana Legislature created the Council on Automobile Insurance Rates and Enforcement (CAIRE) whose thorough studies of automobile insurance and enforcement issues led the legislature to expand CAIRE's areas of study in 2001 to homeowners' and workers' compensation insurance and to name it the Louisiana Property and Casualty Insurance Commission (Act 187 of the 2001 Regular Session).

The primary purpose of the commission is "to review and examine the availability and affordability of property and casualty insurance in the state of Louisiana."

Act 590 of the 2003 Regular Session amended the LPCIC membership, which then consisted of 22 members. A representative of law enforcement 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 serves on the commission. The Act also added Representatives of two national trade organizations and one state organization to the membership.

Act 459 of the 2007 Regular Session abolished the Louisiana Insurance Rating Commission effective January 1, 2008, and provided an appointee for the commissioner of insurance.

Act 317 of the 2012 Regular Session provided for two additional members of the LPCIC—the deputy commissioner of insurance for consumer advocacy and a representative of the Louisiana Surplus Lines Association.

Act 223 of the 2014 Regular Session added another member—a representative of the National Association of Mutual Insurance Companies (NAMIC).

The LPCIC now consists of 24 members.

## Review of Recommendations for 2018

### 1. Uniform Construction Code

*The LPCIC recommended that the legislature resist any efforts to weaken or diminish the current Louisiana State Uniform Construction Code and enact legislation to strengthen the Uniform Construction Code and its enforcement.*

Representative Garafalo, with Reps. Carmody and Moreno, introduced [HB 455](#)<sup>1</sup> relative to short-term rental of dwellings to provide for safety requirements and inspections of dwellings rented for less than 30 days through online services.

Senator Fannin introduced [SB 196](#)<sup>2</sup> (Act 364) relative to the powers of the state fire marshal to consider practical and economic factors in permitting alternatives to certain standards in the Uniform Construction Code.

### 2. Distracted Driving

*The LPCIC recommended that the legislature ban the manual use by the operator of a motor vehicle while in motion of all electronic devices not permanently installed in the vehicle.*

Representative Huval, with Reps. Steve Carter and Talbot, introduced [HB 619](#) to address the continuing problem of distracted driving in Louisiana. The bill would have made most use of a handheld wireless telecommunications device a violation of the motor vehicle safety laws of this state. It is similar to legislation enacted in [Oregon](#),<sup>3</sup> [Texas](#),<sup>4</sup> [Washington](#),<sup>5</sup> [Hawaii](#),<sup>6</sup> [Georgia](#),<sup>7</sup> and [California](#).<sup>8</sup>

### 3. Civil Jury Threshold

*The LPCIC recommended that the legislature reduce the civil jury threshold.*

Louisiana Code of Civil Procedure article 1372 provides for a civil jury trial threshold of \$50,000, exclusive of interest and costs. It remains the highest of 14 such thresholds in the United States. The next highest is Maryland at \$15,000.

There was no bill introduced in 2018 to reduce or eliminate the civil jury trial threshold.

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<sup>1</sup> <https://www.legis.la.gov/legis/BillInfo.aspx?i=233881>

<sup>2</sup> <https://www.legis.la.gov/legis/BillInfo.aspx?i=233614>

<sup>3</sup> <https://olis.leg.state.or.us/liz/2017R1/Downloads/MeasureDocument/HB2597/Enrolled>

<sup>4</sup> <https://capitol.texas.gov/tlodocs/85R/billtext/pdf/HB00062F.pdf>

<sup>5</sup> <http://lawfilesexxt.leg.wa.gov/biennium/2017-18/Pdf/Bills/Senate%20Passed%20Legislature/5289-S.PL.pdf#page=1>

<sup>6</sup> [https://www.capitol.hawaii.gov/session2013/bills/HB980\\_SD2\\_.pdf](https://www.capitol.hawaii.gov/session2013/bills/HB980_SD2_.pdf)

<sup>7</sup> <http://www.legis.ga.gov/Legislation/20172018/178977.pdf>

<sup>8</sup> [https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201520160AB1785](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160AB1785)

#### 4. Direct Action

*The LPCIC recommended that the legislature repeal the direct action statute or amend it to limit the instances for naming an insurer as a defendant to those where the insured is unable to be served with process.*

Of the few states with direct action statutes, Louisiana has the strongest such statute that permits the naming of an insurer as a defendant in a civil action even when the insured defendant is amenable to process and solvent.

Senator Luneau introduced [SB 139](#) to expand direct action to permit the filing against an insurer only when the defendant insured is a small business employing 50 or fewer people. The bill failed on the Senate floor.<sup>9</sup>

#### 5. Collateral Source Rule

*The LPCIC recommended that the legislature modify the collateral source rule.*

Representative Thibaut introduced [HB 789](#) to place limits on the application of the collateral source rule in cases where health insurance, Medicare, or workers' compensation pays medical expenses. The bill did not advance from the House Civil Law and Procedure Committee.<sup>10</sup>

#### 6. Opioid Abuse

*The LPCIC recommended that the legislature enact a requirement for the use of a closed pharmacy formulary in workers' compensation claims.*

There was no bill on the subject of a workers' compensation pharmacy formulary introduced in 2018.

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<sup>9</sup> <https://www.legis.la.gov/legis/BillInfo.aspx?i=233458>

<sup>10</sup> <https://www.legis.la.gov/legis/BillInfo.aspx?i=234649>

## **Review of Study Issues for 2018**

### **1. Insurance and Technology**

*The LPCIC will monitor and study issues related to the effects of technology on the business of insurance and insurance coverage.*

The commission heard a presentation from Toby Unwin, co-founder and CIO of [Premonition](#),<sup>11</sup> on the use of data analysis in the legal profession. Premonition, in addition to the analysis of judges, lawyers, and law firms, can apply its capabilities to the analysis of claims and legal data for workers' compensation and other types of insurance claims to produce a data-driven decision-making process for insurers during or in anticipation of litigation. Mr. Unwin also discussed with the commission members how analytics could quantify the effects of many of the issues that are the subject of debate among lawyers and policy makers such as the civil jury threshold.

### **2. Cybersecurity and Insurance**

*The LPCIC will continue to monitor and study issues related to cybersecurity and insurance.*

### **3. Highly Automated Vehicles (HAV) and Driverless Vehicles**

*The LPCIC will study regulatory and insurance issues that arise with the development of driverless vehicles.*

### **4. Private Flood Insurance and NFIP Reauthorization**

*The LPCIC will monitor and study the affordability and availability of private flood insurance and proposals for increased reliance upon the private market in the renewal of the NFIP.*

There is no long-term reauthorization of the National Flood Insurance Program (NFIP). Congress may reauthorize the NFIP before the 2020 election, but it appears that it may be subject to short-term extensions for the foreseeable future.

### **5. Federal and International Actions Affecting Insurance and Insurance Regulation**

*The LPCIC will monitor and study the effects of federal laws and regulations and international actions on the affordability and availability of property and casualty insurance.*

### **6. Automobile Insurance Market**

*The LPCIC will study the automobile insurance market to determine solutions to the problems with availability and affordability of private passenger and commercial automobile insurance.*

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<sup>11</sup> <https://www.premonition.ai/>

## **Recommendations for 2019**

### **1. Uniform Construction Code**

*The LPCIC recommends the maintenance and strengthening of the Louisiana State Uniform Construction Code.*

### **2. Highway Safety**

*The LPCIC recommends that the legislature ban the manual use by the operator of a motor vehicle while in motion of all electronic devices not permanently installed in the vehicle.*

### **3. Civil Justice Reforms**

*The LPCIC recommends that the legislature:*

- *Reduce the civil jury threshold.*
- *Repeal the direct action statute or amend it to limit the instances for naming an insurer as a defendant to those where the insured is unable to be served with process.*
- *Modify the collateral source rule to limit the ability of a plaintiff to recover damages for expenses that are not due or payable a write-off pursuant to a healthcare provider agreement with an insurer or other health coverage issuer.*
- *Enact a limit on general damages in all personal injury actions of \$500,000 as provided for the state and political subdivisions in La. R.S. 13:5106(B)(3)(c).*
- *Amend La. C.C. P. art. 1812(C)(4) to provide for only one written finding of general damages for each plaintiff on a special verdict form.*
- *Enact a statutory collateral source rule to limit the ability of a plaintiff to collect in damages the difference between medical expenses actually incurred or paid and “usual and customary” or billed charges for which the plaintiff has no liability.*
- *Amend La. R.S. 32:295.1(E) to admit seat belt use as evidence of comparative negligence.*
- *Amend La. C.E. art. 411 to prohibit the reference to the name of an insurer or the retention of counsel by the insurer in a civil proceeding involving an insurer that issues a policy to a party to the suit.*
- *Amend La. R.S. 32:866(A) to prohibit the recovery of general damages for an owner or operator of a motor vehicle who fails to maintain compulsory liability insurance.*

### **4. Opioid Abuse**

*The LPCIC recommends that the legislature enact a requirement for the use of a closed pharmacy formulary in workers’ compensation claims.*

## **Study Issues for 2019**

### **1. Insurance and Technology**

*The LPCIC will monitor and study issues related to the effects of technology on the business of insurance and insurance coverage.*

### **2. Cybersecurity and Insurance**

*The LPCIC will continue to monitor and study issues related to cybersecurity and insurance.*

### **3. Highly Automated Vehicles (HAV) and Driverless Vehicles**

*The LPCIC will study regulatory and insurance issues that arise with the development of driverless vehicles.*

### **4. Federal and International Actions Affecting Insurance and Insurance Regulation**

*The LPCIC will monitor and study the effects of federal laws and regulations and international actions on the affordability and availability of property and casualty insurance.*

### **5. Automobile Insurance Market**

*The LPCIC will study the automobile insurance market to determine solutions to the problems with availability and affordability of private passenger and commercial automobile insurance.*

## Appendix A

### Meeting Agendas

- Agenda for October 18, 2018
- Agenda for November 14, 2018
- Agenda for December 13, 2018
- Agenda for January 17, 2019

**Louisiana Property and Casualty Insurance Commission**  
**Notice of Meeting and Agenda**  
**Thursday, October 18, 2018 at 10:00 A.M.**  
**Department of Insurance—Plaza Hearing Room—Poydras Building**

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- I. Call to Order—Chairman**
- II. Roll Call—Director**
- III. Discussions and Presentations**
  - A. Federal issues update by Brooke Stringer, Financial Policy and Legislative Advisor, NAIC. (15-30 minutes)**
  - B. Presentation by Clarissa Preston and Shannon Johnson on issues with the availability and affordability of insurance for school bus drivers. (30 minutes)**
  - C. Discussion of the work plan and priorities for the LPCIC for 2018-19.**
- IV. Any Other Matters and Public Comments**
- V. Dates for Future Meetings—November 14, 2014, December 13, 2017, and January 17, 2018. All at 10:00 a.m. in the Plaza Hearing Room, Poydras Building, 1702 N. Third Street, Baton Rouge (Louisiana Department of Insurance).**
- VI. Adjournment**

**Louisiana Property and Casualty Insurance Commission**  
**Notice of Meeting and Agenda**  
**Wednesday, November 14, 2018 at 10:00 A.M.**  
**Department of Insurance—Plaza Hearing Room—Poydras Building**

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- I. Call to Order—Chairman**
- II. Roll Call—Director**
- III. Discussions and Presentations**
  - A. Presentation on the potential use of data analysis to evaluate the effects on insurance rates of various legal issues in Louisiana (e.g., direct action, jury threshold, prescription and preemption, etc.) by Toby Unwin, CIO and Co-Founder of Premonition ([www.Premonition.ai](http://www.Premonition.ai))**
  - B. Discussion on legal issues that affect the cost of property and casualty insurance. What are the problem areas? What effects are they perceived to have? What are alternatives? –Chairman Fey with Toby Unwin.**
- IV. Any Other Matters and Public Comments**
- V. Dates for Future Meetings—December 13, 2018, and January 17, 2019. All at 10:00 a.m. in the Plaza Hearing Room, Poydras Building, 1702 N. Third Street, Baton Rouge (Louisiana Department of Insurance).**
- VI. Adjournment**

**Louisiana Property and Casualty Insurance Commission**  
**Notice of Meeting and Agenda**  
**Thursday, December 13, 2018 at 10:00 A.M.**  
**Department of Insurance—Plaza Hearing Room—Poydras Building**

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- I. Call to Order—Chairman
- II. Roll Call—Director
- III. Discussions and Presentations
  - A. Presentation (by telephone) on the recent ILR report on the [\*Costs and Compensation of the U.S. Tort System\*](#) by Dr. Lars Powell of the University of Alabama.
  - B. Presentation by Dr. Michael Dunaway of the University of Louisiana at Lafayette on the Louisiana Business Emergency Operations Center, in his capacity as director, and on cyber issues facing the private sector, in his capacity as a member of the Louisiana Cyber Commission and chair of the private sector committee.
- IV. Any Other Matters and Public Comments
- V. Dates for Future Meetings—January 17, 2019. All at 10:00 a.m. in the Plaza Hearing Room, Poydras Building, 1702 N. Third Street, Baton Rouge (Louisiana Department of Insurance).
- VI. Adjournment

**Louisiana Property and Casualty Insurance Commission**  
**Notice of Meeting and Agenda (Revised)**  
**Thursday, January 17, 2019 at 10:00 A.M.**  
**Department of Insurance—Plaza Hearing Room—Poydras Building**

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**I. Call to Order—Chairman**

**II. Roll Call—Director**

**III. Discussions and Presentations**

**A. Presentation by the Louisiana Insurance Guaranty Association (LIGA) on the association and recent trends in property and casualty insurance claims, including litigation.**

**B. Discussion of and voting on recommendations for the Annual Report.** (The following list of topics is drawn from the 2018 recommendations. Members may propose additions, deletions, or amendments. The public may comment before each vote.)

1. **Uniform Construction Code.** The LPCIC recommends the maintenance and strengthening of the Louisiana State Uniform Construction Code.

2. **Highway Safety.** The LPCIC recommends that the legislature ban the manual use by the operator of a motor vehicle while in motion of all electronic devices not permanently installed in the vehicle.

3. **Civil Justice Reforms.** The LPCIC recommends that the legislature:

a) Reduce the civil jury threshold.

b) Repeal the direct action statute or amend it to limit the instances for naming an insurer as a defendant to those where the insured is unable to be served with process.

c) Modify the collateral source rule to limit the ability of a plaintiff to recover damages for expenses that are not due or payable when there is a write-off pursuant to a healthcare provider agreement with an insurer or other health coverage issuer.

d) Enact a system for future medical care similar to the Future Medical Care Fund as provided in La. R.S. 13:5106(B)(3)(c).

e) Enact a limit on general damages in all personal injury actions of \$500,000 as provided for the state and political subdivisions in La. R.S. 13:5106(B)(3)(c).

f) Amend La. C.C. P. art. 1812(C)(4) to provide for only one written finding of general damages for each plaintiff on a special verdict form.

g) Enact a statutory collateral source rule to limit the ability of a plaintiff to collect in damages the difference between medical expenses actually incurred or paid and “usual and customary” or billed charges for which the plaintiff has no liability.

h) Amend La. R.S. 32:295.1(E) to admit seat belt use as evidence of comparative negligence.

i) Amend La. C.E. art. 411 to prohibit the reference to the name of an insurer or the retention of counsel by the insurer in a civil proceeding involving an insurer that issues a policy to a party to the suit.

j) Amend La. R.S. 32:866(A) to prohibit the recovery of general damages for an owner or operator of a motor vehicle who fails to maintain compulsory liability insurance.

4. **Opioid Abuse.** The LPCIC recommends that the legislature enact a requirement for the use of a closed pharmacy formulary in workers’ compensation claims.

C. **Discussion and voting on study topics for the coming year.** (The following list of topics is drawn from the 2018 study topics. Members may propose additions, deletions, or amendments. The public may comment before each vote.)

1. **Insurance and Technology.** The LPCIC will monitor and study issues related to the effects of technology on the business of insurance and insurance coverage.

2. **Cybersecurity and Insurance.** The LPCIC will continue to monitor and study issues related to cybersecurity and insurance.

3. **Highly Automated Vehicles (HAV) and Driverless Vehicles.** The LPCIC will study regulatory and insurance issues that arise with the development of driverless vehicles.

4. **Federal and International Actions Affecting Insurance and Insurance Regulation.** The LPCIC will monitor and study the effects of

federal laws and regulations and international actions on the affordability and availability of property and casualty insurance.

**5. Automobile Insurance Market.** The LPCIC will study the automobile insurance market to determine solutions to the problems with availability and affordability of private passenger and commercial automobile insurance.

**IV. Any Other Matters and Public Comments**

**V. Dates for Future Meetings—Dates for 2019-2020 meetings to be determined.**

**All meetings are held in the Plaza Hearing Room, Poydras Building, 1702 N. Third Street, Baton Rouge, Louisiana 70802 (Louisiana Department of Insurance).**

**VI. Adjournment**

## Appendix B

### Meeting Minutes

- Minutes for October 18, 2018
- Minutes for November 14, 2018
- Minutes for December 13, 2018
- Minutes for January 17, 2019
  - LIGA Proposals for Civil Justice Reform Discussion

# **Louisiana Property and Casualty Insurance Commission**

## **Minutes of the Meeting of the Commission**

**Thursday, October 18, 2018 @ 10:00 A.M.**

**Department of Insurance—Plaza Hearing Room—Poydras Building**

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Present were the following:

Members: Lou Fey (Chairman), Jeff Albright (Vice Chairman), Rep. Huval, Rep. Talbot, Ray Aleman Jr., Shawn Collins, Marc Carter, Paul Buffone, Will Grubbs, Michael Guy, Chris Haik, Ron Henderson, Leslie Sallean, Mike Barron (for Lisa Freeman), Noryn Ward

Commission and LDI Staff: Tom Travis, Warren Byrd, Charles Hansberry, Danielle Blanchard

The Chairman called the meeting to order at 10:00 a.m.

The Director called the roll and reported the presence of a quorum.

The Chairman welcomed everyone in attendance.

Presentation by telephone from Brooke Stringer, Financial Policy and Legislative Advisor, NAIC Executive Office, Washington, DC

Ms. Stringer discussed current federal legislation and other actions affecting insurance. Given the current political situation, it did not look like much insurance related legislation would pass in the current congress, including a long-term National Flood Insurance Program (NFIP) extension. There are many bills related to insurance subjects that will likely be introduced in the new congress convening in 2019 on the subjects of: flood insurance, regulation of air ambulance costs, surprise medical bills (balance billing), autonomous/highly-automated vehicles, and other issues.

Presentation by Clarissa Preston of the National African-American Insurance Association (NAAIA), Shannon Johnson of the Flowers Insurance Agency, and Donna Swanson of the Swanson Insurance Agency

Ms. Johnson and Ms. Swanson discussed the difficulties of finding insurance coverage for school bus drivers. Many school boards use contract drivers and buses to provide transportation. The premium for school bus coverage has more than tripled since 2013, with similar increases for other commercial coverages such as dump trucks, hotshot trucks, and tow trucks. They discussed the immediate impact on the businesses that they try to insure and on the economy.

There being no objection, the Chairman adjourned the meeting at 11:15 a.m.

# **Louisiana Property and Casualty Insurance Commission**

## **Minutes of the Meeting of the Commission**

**Wednesday, November 14, 2018 @ 10:00 A.M.**

**Department of Insurance—Plaza Hearing Room—Poydras Building**

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Present were the following:

Members: Lou Fey (Chairman), Rep. Huval, Rep. Talbot, Shawn Collins, Marc Carter, Paul Buffone, Karen St. Germain, Will Grubbs Jr., Meredith Trahant (for Dir. Kellar), Ron Henderson, Leslie Sallean, Lisa Freeman, Noryn Ward, Noble Ellington

Commission and LDI Staff: Tom Travis, Charles Hansberry, Danielle Blanchard

The Chairman called the meeting to order at 10:00 a.m.

The Director called the roll and reported the presence of a quorum.

The Chairman welcomed everyone in attendance.

Presentation by Toby Unwin, CIO and Co-Founder of Premonition

Mr. Unwin made a presentation on the uses of data and artificial intelligence to analyze the performance of law firms and lawyers and how this technology could aid in the analysis of the costs and benefits of civil legal and procedural rules.

There being no objection, the Chairman adjourned the meeting at 11:20 a.m.

# **Louisiana Property and Casualty Insurance Commission**

## **Minutes of the Meeting of the Commission**

**Thursday, December 13, 2018 @ 10:00 A.M.**

**Department of Insurance—Plaza Hearing Room—Poydras Building**

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Present were the following:

Members: Lou Fey (Chairman), Rep. Talbot, Ray Aleman Jr., Shawn Collins, Marc Carter, Jamie Bourg (for Paul Buffone), Will Grubbs Jr., Michael Guy, Meredith Trahant (for Sheral Kellar), Ron Henderson, Mike Barron (for Lisa Freeman), and Joe O'Connor

Commission and LDI Staff: Tom Travis, Warren Byrd, Charles Hansberry

The Chairman called the meeting to order at 10:00 a.m.

The Director called the roll and reported the presence of 12 members, one short of a quorum.

The Chairman welcomed everyone in attendance.

Presentation by telephone from Dr. Lars Powell of the University of Alabama on the recent Institute for Legal Reform report on the *Costs and Compensation of the U.S. Tort System*

Dr. Powell discussed the methods used to assemble the report and the conclusions of the study. The report did not study the effects of particular laws. The report did break out the costs of the tort system in each state in three areas of liability (General/Professional, Medical Malpractice, and Automobile), and the report provided total costs as a percentage of state GDP (2.9% in Louisiana) and per household (\$4,015 in Louisiana).

Presentation by Dr. Michael Dunaway of the University of Louisiana at Lafayette on the Louisiana Business Emergency Operations Center (BEOC) and the Louisiana Cyber Commission

Dr. Dunaway discussed the BEOC as a means for the state's emergency management system to interface with the private sector during declared emergencies. He also discussed the activities of the Private Sector and Economic Development Committee of the Louisiana Cybersecurity Commission, which has as its primary goal the facilitation of economic development by promoting a cyber-safe Louisiana for businesses and consumers.

There being no objection, the Chairman adjourned the meeting at 11:15 a.m.

**Louisiana Property and Casualty Insurance Commission**  
**Minutes of the Meeting of the Commission**

**Thursday, January 17, 2019 @ 10:00 A.M.**

**Department of Insurance—Plaza Hearing Room—Poydras Building**

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Present were the following:

Members: Lou Fey (Chairman), Sen. Morrish, Rep. Huval, Rep. Talbot, Ray Aleman Jr., Shawn Collins, Marc Carter, Capt. Bostick (for Sheriff Champagne), Michael Guy, Chris Haik, Alison Ocmand (for Sheral Kellar), Ron Henderson, Leslie Sallean, Mike Barron (for Lisa Freeman), Noryn Ward, Joe O'Connor, Noble Ellington, Earl Taylor.

Commission and LDI Staff: Tom Travis, Warren Byrd, Charles Hansberry

The Chairman called the meeting to order at 10:00 a.m.

The Director called the roll and reported the presence of 18 members and a quorum.

The Chairman welcomed everyone in attendance.

Presentation by the Louisiana Insurance Guaranty Association (LIGA) on the association and recent trends in property and casualty insurance claims, including litigation by John Welles, Executive Director, and Stephanie Laborde, General Counsel.

LIGA presented mostly on civil procedure issues that create problems for the association in attempting to litigate and close claims. (See attached LIGA Proposals for Civil Justice Reform Discussion).

Discussion of and voting on recommendations for the Annual Report.

After an opportunity for discussion and public comment the commission adopted the following recommendations for its Annual Report:

1. Uniform Construction Code. The LPCIC recommends the maintenance and strengthening of the Louisiana State Uniform Construction Code.
2. Highway Safety. The LPCIC recommends that the legislature ban the manual use by the operator of a motor vehicle while in motion of all electronic devices not permanently installed in the vehicle.
3. Civil Justice Reforms. The LPCIC recommends that the legislature:
  - a) Reduce the civil jury threshold.
  - b) Repeal the direct action statute or amend it to limit the instances for naming an insurer as a defendant to those where the insured is unable to be served with process.
  - c) Modify the collateral source rule to limit the ability of a plaintiff to recover damages for expenses that are not due or payable when there is a write-off pursuant to a healthcare provider agreement with an insurer or other health coverage issuer.
  - d) Enact a limit on general damages in all personal injury actions of \$500,000 as provided for the state and political subdivisions in La. R.S. 13:5106(B)(3)(c).

- e) Amend La. C.C. P. art. 1812(C)(4) to provide for only one written finding of general damages for each plaintiff on a special verdict form.
- f) Enact a statutory collateral source rule to limit the ability of a plaintiff to collect in damages the difference between medical expenses actually incurred or paid and “usual and customary” or billed charges for which the plaintiff has no liability.
- g) Amend La. R.S. 32:295.1(E) to admit seat belt use as evidence of comparative negligence.
- h) Amend La. C.E. art. 411 to prohibit the reference to the name of an insurer or the retention of counsel by the insurer in a civil proceeding involving an insurer that issues a policy to a party to the suit.
- i) Amend La. R.S. 32:866(A) to prohibit the recovery of general damages for an owner or operator of a motor vehicle who fails to maintain compulsory liability insurance.

4. Opioid Abuse. The LPCIC recommends that the legislature enact a requirement for the use of a closed pharmacy formulary in workers’ compensation claims.

After an opportunity for discussion and public comment the commission adopted the following study topics to focus on in the coming year:

1. Insurance and Technology. The LPCIC will monitor and study issues related to the effects of technology on the business of insurance and insurance coverage.
2. Cybersecurity and Insurance. The LPCIC will continue to monitor and study issues related to cybersecurity and insurance.
3. Highly Automated Vehicles (HAV) and Driverless Vehicles. The LPCIC will study regulatory and insurance issues that arise with the development of driverless vehicles.
4. Federal and International Actions Affecting Insurance and Insurance Regulation. The LPCIC will monitor and study the effects of federal laws and regulations and international actions on the affordability and availability of property and casualty insurance.
5. Automobile Insurance Market. The LPCIC will study the automobile insurance market to determine solutions to the problems with availability and affordability of private passenger and commercial automobile insurance.

There being no objection, the Chairman adjourned the meeting at 11:55 a.m.

# LOUISIANA PROPERTY AND CASUALTY INSURANCE COMMISSION

January 17, 2019

## LIGA Proposals for Civil Justice Reform Discussion

- Problem:** Plaintiff's attorneys do not respond to discovery requests, do not respond to Rule 10.1 Conference, do not respond to a Motion to Compel, and then file "bare bones" responses on the eve of a Motion to Compel hearing and argue that a new 10.1 conference is required before moving forward with the Motion to Compel. Increases cost of defense and delays resolution of case by six months, especially in simple cases that would be easy to settle if we could get the basic information necessary, *e.g.*, medical records.

**Solution:** Language in Motion to Compel article, La.C.C.P. Art. 1469, requiring payment of court costs and reasonable attorney fees if, at the time the Motion was filed, sufficient discovery responses were not received. Also, additional language could be included in the Article confirming that a second Rule 10.1 conference is not a prerequisite to moving forward with the Motion to Compel hearing notwithstanding the receipt of supplemental responses, especially if the supplemental responses are incomplete or deficient.
- Problem:** Cases sit for too long without any actions taken to move the matter towards resolution.

**Solution:** Change abandonment period from three (3) years to two (2) years.
- Problem:** Too many lawsuits are being filed without a legal basis for the claim.

**Solution:** Award costs to prevailing party at a Motion for Summary Judgment "unless the court finds that the opposition to the motion was substantially justified or that other circumstances make an award of expenses unjust." [Quoted language is from the Motion to Compel article, La.C.C.P. Art. 1469.]
- Problem:** Plaintiff's attorneys "request service" within 90 days, but never properly effect service. The result is that Defendants are sometimes unable to move forward with a Motion for Summary Judgment, Exception, or other dispositive Motion because they are unable to serve a co-Defendant that the Court feels may have an adverse interest in the case.

**Solution:** Require a request for service within 90 days, and a peremption period of one (1) year to properly effectuate service on all named parties, or their claims against the unserved parties will be dismissed with prejudice (without the need for a contradictory hearing). This also solves another potential issue of Defendants being named in a lawsuit, but not knowing about the lawsuit for several years (because service was requested but not perfected on them for an extended period of time).
- Problem:** The penalty provision in the offer of judgment article does not provide enough incentive to settle claims.

**Solution:** Change the language of the statute to allow for costs and attorney's fees if an offer is not accepted and the Judgment falls within the set parameters.

6. **Problem:** The relationship between Plaintiff attorneys and “expert” physicians is uncomfortably close.  
**Solution:** Require as a uniform rule that all physicians tendered as an expert maintain and provide a list of all cases they have worked on and attorneys they have worked for, (including a listing of compensation paid by each attorney?), for the past ten (10) years.
7. **Problem:** The Collateral Source Rule is abused, when a Plaintiff has Medicare, Medicaid, or health insurance, but opts not to use that insurance, and contracts with companies that run up medical expenses and costs that Plaintiff never intends to pay. The providers are aware that the matter is in litigation, and “bill” costs multiple times in excess of amounts they could bill to insurers or the federal government, and include items on their bills that would not be reimbursed by an insurer or federal/state payor (referrals to medical device companies, surgical centers, etc., that they own, and other prohibited practices).  
**Solution:** If a Plaintiff has any form of health insurance available and opts not to use that insurance, then the Collateral Source Rule should not apply.
8. **Problem:** Case is dismissed at Plaintiff’s costs, and Defendant wants a Judgment of Dismissal, but the Clerk will not submit the Judgment to the Court until the costs are paid and the Plaintiff’s counsel will not pay the court costs. To obtain the Judgment of Dismissal, Defendant has to pay the court costs.  
**Solution:** If not paid within ninety (90) days, the Clerk must collect pending court costs for a pending Judgment of Dismissal from any counsel when he makes his next filing in any other case.

## Appendix C

### Automobile Insurance Rate Comparisons

- Car Insurance Rates by State
  - CarInsurance.com
  - Insure.com
  - TheZebra.com

CarInsurance.com Ranking | Average \$ Rate - Most Expensive to Least

1	Michigan	\$2,484	18	West Virginia	\$1,375	35	Washington	\$1,191
2	Louisiana	\$2,190	19	Arkansas	\$1,370	36	Massachusetts	\$1,191
3	Florida	\$1,823	20	Arizona	\$1,356	37	Minnesota	\$1,187
4	Connecticut	\$1,771	21	Wisconsin	\$1,351	38	Missouri	\$1,154
5	New York	\$1,759	22	New Jersey	\$1,346	39	Nebraska	\$1,113
6	Kentucky	\$1,752	23	Georgia	\$1,340	40	Alaska	\$1,109
7	Nevada	\$1,746	24	Mississippi	\$1,323	41	New Hampshire	\$1,101
8	DC	\$1,723	25	North Dakota	\$1,315	42	South Dakota	\$1,059
9	Rhode Island	\$1,688	26	Texas	\$1,300	43	Iowa	\$1,015
10	Delaware	\$1,646	27	Alabama	\$1,299	44	Illinois	\$1,004
11	Oklahoma	\$1,643	28	Oregon	\$1,264	45	Virginia	\$972
12	Pennsylvania	\$1,522	29	South Carolina	\$1,260	46	Indiana	\$964
13	California	\$1,518	30	New Mexico	\$1,253	47	Vermont	\$963
14	Wyoming	\$1,494	31	Kansas	\$1,242	48	North Carolina	\$960
15	Hawaii	\$1,458	32	Montana	\$1,224	49	Ohio	\$952
16	Colorado	\$1,404	33	Tennessee	\$1,199	50	Idaho	\$941
17	Maryland	\$1,390	34	Utah	\$1,199	51	Maine	\$925

CarInsurance.com commissioned Quadrant Information Services to provide a report of average auto insurance rates for a 2016 Honda Accord for nearly every ZIP code in the United States. We calculated rates using data for up to six large carriers (Allstate, Farmers, GEICO, Nationwide, Progressive and State Farm).

Averages rates are based on full coverage insurance for a married 40-year-old male who commutes 12 miles to work each day, with policy limits of 100/300/100 (\$100,000 for injury liability for one person, \$300,000 for all injuries and \$100,000 for property damage in an accident) and a \$500 deductible on collision and comprehensive coverage. The rate includes uninsured motorist coverage.

This hypothetical driver has a clean record and good credit. Average rates are for comparative purposes.

Your own rate will depend on your personal factors and vehicle.

## Insure.com 2019 State Automobile Insurance Rates

1	Michigan	\$2,611	18	Maryland	\$1,546	35	Missouri	\$1,272
2	Louisiana	\$2,298	19	Nevada	\$1,525	36	South Dakota	\$1,262
3	Florida	\$2,219	20	New Jersey	\$1,520	37	Massachusetts	\$1,245
4	Oklahoma	\$1,966	21	West Virginia	\$1,472	38	Utah	\$1,206
5	DC	\$1,876	22	Arizona	\$1,449	39	Pennsylvania	\$1,187
6	California	\$1,846	23	South Carolina	\$1,433	40	Alaska	\$1,183
7	Rhode Island	\$1,834	24	Mississippi	\$1,409	41	Indiana	\$1,181
8	Delaware	\$1,828	25	Washington	\$1,401	42	Ohio	\$1,175
9	New York	\$1,789	26	Kansas	\$1,398	43	North Dakota	\$1,164
10	Texas	\$1,779	27	New Mexico	\$1,382	44	Vermont	\$1,100
11	Georgia	\$1,777	28	Minnesota	\$1,362	45	North Carolina	\$1,095
12	Colorado	\$1,761	29	Tennessee	\$1,297	46	New Hampshire	\$1,087
13	Connecticut	\$1,640	30	Illinois	\$1,296	47	Virginia	\$1,063
14	Wyoming	\$1,602	31	Nebraska	\$1,291	48	Iowa	\$1,047
15	Montana	\$1,600	32	Alabama	\$1,287	49	Idaho	\$1,040
16	Kentucky	\$1,594	33	Oregon	\$1,286	50	Wisconsin	\$951
17	Arkansas	\$1,566	34	Hawaii	\$1,275	51	Maine	\$845

<https://www.insure.com/car-insurance/car-insurance-rates.html>

Insure.com commissioned Quadrant Information Services to calculate auto insurance rates from six large carriers (Allstate, Farmers, GEICO, Nationwide, Progressive and State Farm) in 10 ZIP codes per state.

Rates are based on full coverage for a single, 40-year-old male who commutes 12 miles to work each day, with policy limits of 100/300/50 (\$100,000 for injury liability for one person, \$300,000 for all injuries and \$50,000 for property damage in an accident) and a \$500 deductible on collision and comprehensive coverage. The hypothetical driver has a clean record and good credit. The rate includes uninsured motorist coverage. Actual consumer rates will depend on individual driver factors.

Insure.com averaged rates in each state for the cheapest-to-insure 2019 model-year versions of America's 20 best-selling vehicles and ranked each state by that average. To keep from skewing the data with high-end luxury and sports vehicles, the study averaged rates for the 20 best-selling vehicles in U.S. as of Dec. 2018. Each model was rated on its cheapest-to-insure trim level. You can see rates for more than 3,000 models in Insure.com's Most and Least Expensive Vehicles to Insure tool. This year's 20 best-selling vehicles include:

Ford F-Series	Honda CR-V	Honda Accord	Jeep Wrangler
Chevy Silverado	Toyota Camry	Ford Escape	Jeep Cherokee
Ram Truck	Chevy Equinox	Ford Explorer	Jeep Grand Cherokee
Toyota Rav4	Honda Civic	Toyota Tacoma	GMC Sierra
Nissan Rogue	Toyota Corolla	Toyota Highlander	Nissan Sentra

Source: autoNXT best-selling vehicles in America 2018

This apples-to-apples comparison is different than other research, such as the rate comparison conducted by the National Association of Insurance Commissioners (NAIC). The NAIC's numbers display the average amount that state residents spend for auto insurance, regardless of the type of car they insure or amount of coverage they purchase.

## The Zebra Auto Insurance \$ Rates by State | Most Expensive to Least

1	Michigan	\$2,693	18	DC	\$1,496	35	Nebraska	\$1,284
2	Louisiana	\$2,339	19	Kansas	\$1,476	36	Massachusetts	\$1,277
3	Rhode Island	\$2,110	20	Tennessee	\$1,427	37	Illinois	\$1,222
4	Florida	\$2,059	21	West Virginia	\$1,420	38	Utah	\$1,209
5	Nevada	\$1,915	22	Missouri	\$1,410	39	Washington	\$1,205
6	Kentucky	\$1,898	23	Oregon	\$1,393	40	Alaska	\$1,198
7	Delaware	\$1,828	24	Pennsylvania	\$1,390	41	Indiana	\$1,150
8	Texas	\$1,827	25	Montana	\$1,397	42	New Hampshire	\$1,105
9	California	\$1,815	26	Alabama	\$1,387	43	Hawaii	\$1,081
10	New York	\$1,688	27	Wyoming	\$1,375	44	Vermont	\$1,075
11	Colorado	\$1,682	28	South Carolina	\$1,369	45	Wisconsin	\$1,070
12	New Jersey	\$1,671	29	New Mexico	\$1,352	46	Ohio	\$1,032
13	Oklahoma	\$1,560	30	South Dakota	\$1,342	47	Idaho	\$1,018
14	Connecticut	\$1,550	31	Maryland	\$1,327	48	Iowa	\$988
15	Georgia	\$1,547	32	North Dakota	\$1,325	49	North Carolina	\$947
16	Mississippi	\$1,537	33	Arizona	\$1,295	50	Virginia	\$918
17	Arkansas	\$1,496	34	Minnesota	\$1,288	51	Maine	\$896

<https://www.thezebra.com/state-of-insurance/auto/2019/>

In the past year, car insurance rates have risen across 41 states (including Washington, DC), and fallen in just 10 states. Colorado saw the highest year-over-year rate increase of 19%, and Montana saw the greatest decrease of 21%. Michigan still leads as the most expensive state for car insurance, and Maine trails as the least expensive.

Between September and December 2018, The Zebra conducted comprehensive auto insurance pricing analysis using its proprietary quote engine, comprising data from insurance rating platforms and public rate filings. The Zebra examined more than 61 million rates to explore pricing trends across all United States zip codes including Washington, D.C.

Analysis used a consistent base profile for the insured driver: a 30-year old single male driving a 2014 Honda EX with a good driving history, and coverage limits of \$50,000 bodily injury liability per person/\$100,000 bodily injury liability per accident/\$50,000 property damage liability per accident with a \$500 deductible for comprehensive and collision.

For coverage level data, optional coverage (that must be rejected in writing) is included where applicable, including uninsured motorist coverage and personal injury protection.

For vehicle make and model data, analysis referenced the most popular vehicles in the U.S. by 2017 year-end sales according to Goodcarbad.net's data.

Some rate data may vary slightly throughout report based on rounding

## Appendix D

NAAIA Presentation on the Commercial Auto Market in Louisiana

# Commercial Auto Market Louisiana

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October 18, 2018



# Introduction

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- *Clarissa Preston, CIC (NAAIA)*
- *Shannon Johnson (Flowers Insurance Agency)*
- *Donna Swanson (Swanson Insurance Agency)*

# Commercial Auto Risks

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## **Commercial Auto classifications range from:**

- ◆ Public Transportation
  - ◆ School buses, charter buses, passenger vans, non emergency medical transport
- ◆ Hotshots
- ◆ Dump trucks
- ◆ Tow trucks
- ◆ Long Hauls
- ◆ Any vehicle used in the course of daily business activities

In the Last 5 Years,  
Several Commercial Auto Insurers  
Exited The Market

# Former Commercial Auto Carriers

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- Ace
- Associated Industries
- Canal indemnity
- Hallmark
- Mesa Underwriters Specialty
- United Specialty
- Western World
- Wesco

# Why Are They Leaving?

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- Unable to sustain amount of claims and lawsuits
- Increased personal injury advertising
- Jury threshold is extremely high compared to the rest of the country- Damages must be worth at least \$50,000
- Poor road conditions
- High rates of underinsured on uninsured drivers due to cost

# Current Commercial Auto Carriers

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- Atlas Financial
- Berkshire Hathaway
- Houston Specialty
- National Fire Marine
- Prime
- Progressive
- State National Insurance Company
- Wilshire

# Rate Increases over 5 Years - Unaffordability

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**2013**

School bus transportation  
premium range:

***\$3,500-\$5,000***

Dump truck:

***\$5000-\$7000***

Hotshot w/ cargo:

***\$8500-\$9000***

Tow Truck:

***\$3500-\$5000***

**2018**

School bus transportation  
premium range:

***\$14,000-\$19,000***

Dump truck:

***\$18,000-\$22,000***

Hotshot w/ cargo:

***\$25,000-\$30,000***

Tow Truck:

***\$11,000-\$12,000***

# Results of Rate Increase

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- No affordable options
- Risk driving without insurance
- Businesses have closed
- Agents losing business
- Businesses moving to neighboring states just to get insurance
- Agents getting non-resident licenses in other states to service the business
- Not an attractive place to start a business that involves commercial transportation

# Admitted Commercial Auto Carriers

Not Writing	Fleets only	Specialized
America First	AIU	AIPSO
American Alternative	American Southern Home	Argonaut Insurance Company
American Fire & Casualty	Granite State Insurance	Church Mutual
Employer Insurance of Wasusau	Protective Insurance Company	Colonial Surety
RIL Insurance Company		Coregis Insurance Company
Sparta Insurance		GuideOne Mutual
Hanover		LA Farm Bureau
Utica		New York Marine
Westport Insurance		State Farm - Captive

# We Need Your Help!

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- Affordable rates
- Contact former carriers
- Tort reform
- Offer safety trainings
- Incentives for claim free

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# Questions & Comments

## Appendix E

### LABEOC Presentation

- Louisiana Business Emergency Operations Center

# WELCOME

# LA BEOC

LOUISIANA BUSINESS EMERGENCY OPERATIONS CENTER

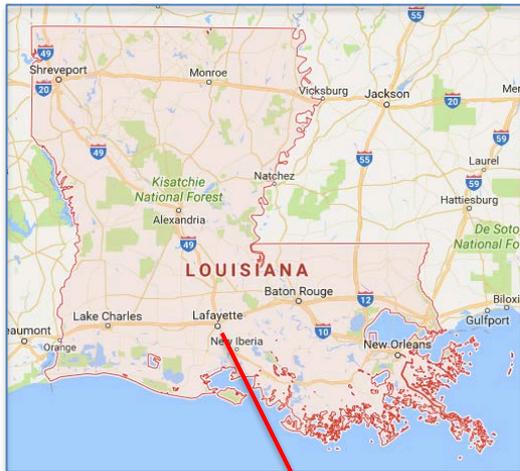
**NIMSAT**  
NATIONAL INCIDENT MANAGEMENT SYSTEMS  
AND ADVANCED TECHNOLOGIES  
UNIVERSITY OF LOUISIANA AT LAFAYETTE



**LED** | LOUISIANA  
ECONOMIC  
DEVELOPMENT

## Informatics Research Institute

Research in data science to unleash the potential of Big Data to benefit society in such areas as health sciences, crisis response, public safety and community resilience, and smart & connected communities.



UL Lafayette

**NIMSAT**  
NATIONAL INCIDENT MANAGEMENT SYSTEMS  
AND ADVANCED TECHNOLOGIES



**CBIT**  
center for business &  
information technologies

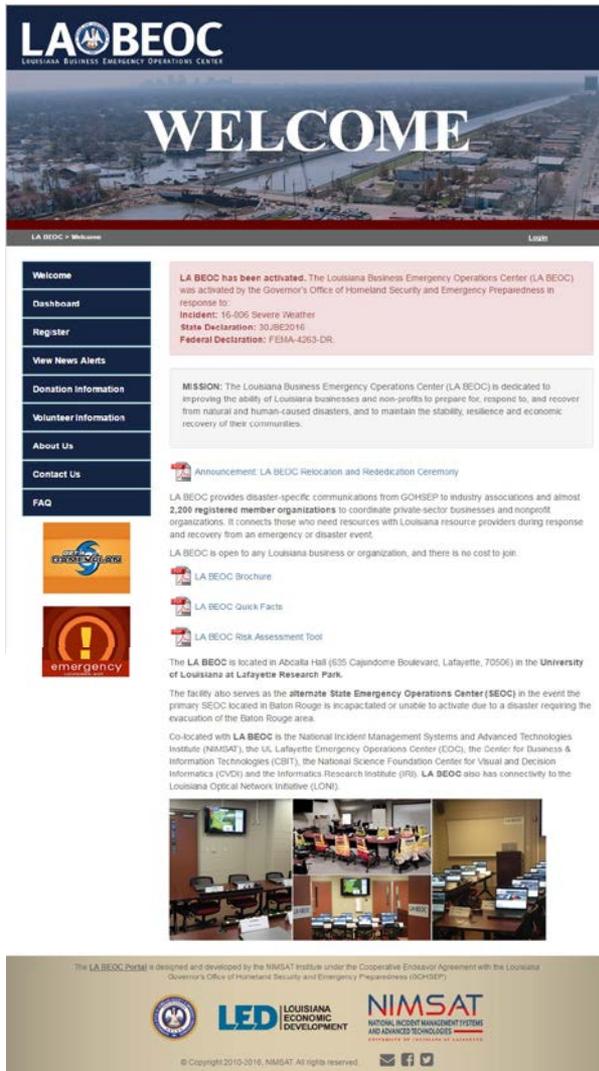


**VDI** Center for Visual &  
Decision Informatics



**LCHI**  
Louisiana Center  
for Health Informatics

# Louisiana Business Emergency Operations Center



The screenshot shows the LA BEOC website homepage. At the top, there is a navigation bar with the LA BEOC logo and the text "LOUISIANA BUSINESS EMERGENCY OPERATIONS CENTER". Below this is a large banner image with the word "WELCOME" in white text. A navigation menu on the left includes links for Welcome, Dashboard, Register, View News Alerts, Donation Information, Volunteer Information, About Us, Contact Us, and FAQ. The main content area features a pink alert box stating "LA BEOC has been activated" with details on the incident (16-005 Severe Weather), state declaration (30/BE2016), and federal declaration (FEMA-4263-DR). Below this is a mission statement and an announcement regarding the relocation and rededication ceremony. Further down, there are links for "LA BEOC Brochure", "LA BEOC Quick Facts", and "LA BEOC Risk Assessment Tool". A paragraph describes the center's location at Abcatta Hall (635 Cajundome Boulevard, Lafayette, 70506) in the University of Louisiana at Lafayette Research Park. It also mentions its role as an alternate State Emergency Operations Center (SEOC) and its co-location with the National Incident Management Systems and Advanced Technologies Institute (NIMS/AT), the US Lafayette Emergency Operations Center (EOC), the Center for Business & Information Technologies (CBIT), the National Science Foundation Center for Visual and Decision Informatics (CVDI), and the Informatics Research Institute (IRI). At the bottom, there are three small images showing the interior of the center. The footer contains logos for LED (Louisiana Economic Development), NIMS/AT (National Incident Management Systems and Advanced Technologies), and the University of Louisiana at Lafayette, along with a copyright notice for 2010-2016.

## A Public / Private Sector Partnership and Information-Sharing Portal to:

- Establish a Common Operating Picture
- Support State disaster recovery when public resources are exhausted.

## And a resource to enable businesses to

- PROVIDE information
- OBTAIN information
- Identify REQUIREMENTS
- Provide RESOURCES

[www.labeoc.org](http://www.labeoc.org)

# Industry Organizations, Associations & Registered Businesses

## **Stakeholder Associations:**

- Association of Contingency Planners
- Associated Wholesale Grocers
- Associated Grocers
- Baton Rouge Area Foundation
- Louisiana Credit Union League
- Louisiana Hotel and Lodging Association
- Louisiana Motor Transport Association
- Louisiana Office of Financial Institutions
- Louisiana Oil Marketers and Convenience Store Association
- Louisiana Pulp and Paper Association
- Louisiana Restaurant Association
- Louisiana Retailers Association
- Louisiana Telecommunications Association
- Louisiana Mid-Continent Oil & Gas Association (LMOGA)
- Louisiana Association of Business and Industry
- Louisiana Bankers Association
- Louisiana Chemical Association
- Louisiana Hospital Association
- Louisiana Technology Council
- National Federation of Independent Business
- Ports Association of Louisiana
- LA VOAD

## **Economic Development Organizations (EDO):**

- Greater New Orleans, Inc.
- South Louisiana Economic Council (SLEC)
- Baton Rouge Area Chamber
- One Acadiana
- Acadiana Economic Development
- Lafayette Economic Development Authority
- Southwest Louisiana Economic Development Alliance
- Central Louisiana Economic Development Alliance
- Central Louisiana Chamber of Commerce
- Northeast Louisiana Economic Alliance
- North Louisiana Economic Partnership

## **Utility Allies**

- Entergy Louisiana Economic Dev. Office
- AEP-Southwest
- Cleco

## **U.S. Department of Homeland Security**

- Protective Security Advisor

**Registered Businesses (LA BEOC Portal):** ~ 2,200  
(13,100 contacts representing 4,923,000 employees)

# State EOC / LA BEOC Activation and Coordination



Louisiana State  
Emergency Operations Center



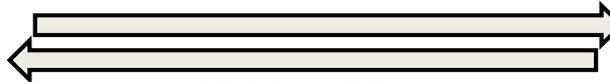
**LA@BEOC**  
LOUISIANA BUSINESS EMERGENCY OPERATIONS CENTER

Abdalla Hall  
UL Research Park

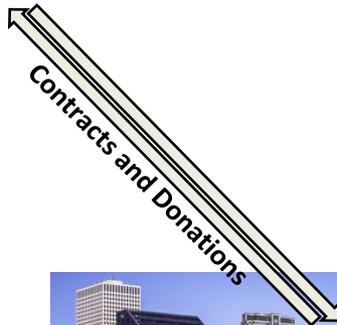


STATE EMERGENCY OPERATIONS CENTER (SEOC) EXTERIOR

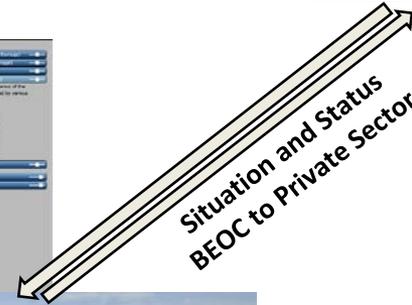
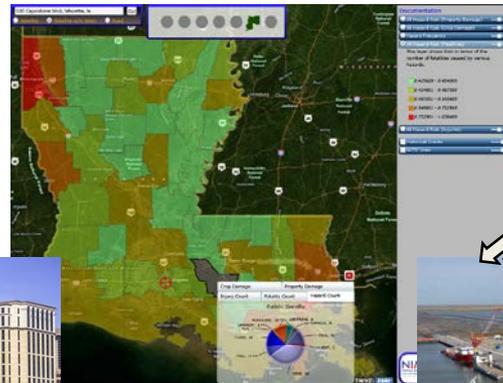
Information and Data Flow



SEOC to BEOC



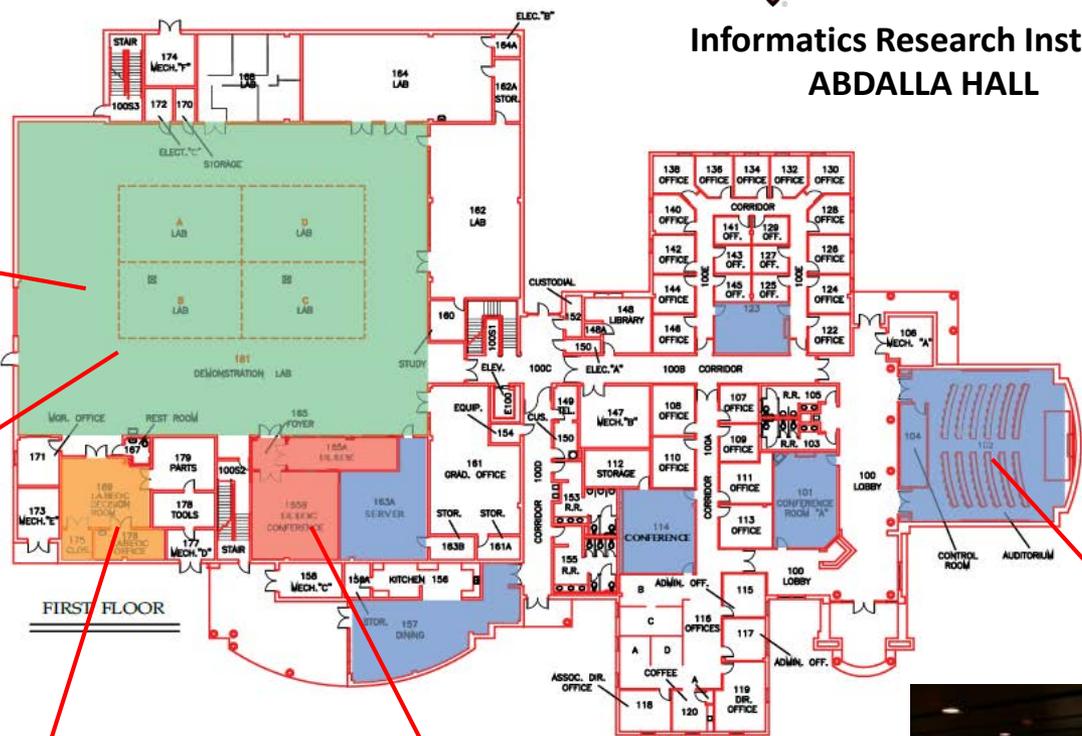
Contracts and Donations



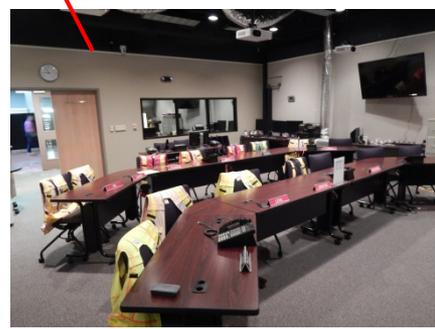
Situation and Status  
BEOC to Private Sector



### Informatics Research Institute ABDALLA HALL



- Louisiana Business Emergency Operations Center (LA BEOC)
- University of Louisiana at Lafayette Emergency Operations Center (UL Lafayette EOC)
- Alternate State Emergency Operations Center (SEOC)
- Shared Space





# State of Louisiana

EXECUTIVE DEPARTMENT

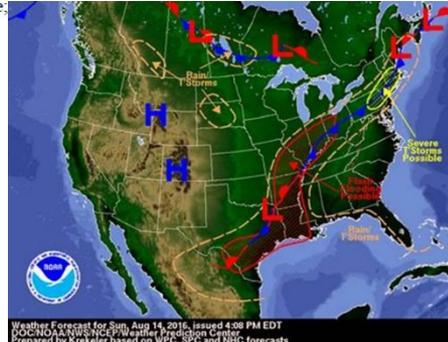
PROCLAMATION NUMBER 111 JBE 2016

## STATE OF EMERGENCY – HEAVY RAIN AND FLOODING

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, when the Governor determines that a disaster or emergency has occurred, or the threat thereof is imminent, La. R.S. 29:724(B)(1) empowers the Governor to declare a state of emergency by executive order or proclamation, or both;

WHEREAS, a flash flood watch is in effect for all of southeastern Louisiana until at least Saturday morning, with rainful accumulations of seven to ten inches likely, with some areas expected to receive more;



## GOHSEP Daily Operations Brief

—August 16 2016 as of 8: 30 a.m.—



East Baton Rouge: Between I-12 and Florida Blvd. West of Amite River

Civil Air Patrol

### LABEOC Activations under State and Federal Disaster Declarations

- 2010 - Deepwater Horizon Oil Spill
- 2011 - Mississippi River Flooding (DR-4041-LA)  
Tropical Storm Lee (DR-4041-LA)
- 2012 - Hurricane Isaac (DR-4080-LA)
- 2013 - Severe Storms and Flooding (DR-4102-LA)
- 2015 - Severe Storms and Flooding (DR-4228-LA)
- 2016 - **Great Floods of Louisiana (DR-4262 / 4277-LA)**  
St. James and St. John Parish tornados
- 2017 - Livingston and Orleans Parish tornados (DR-4300)

# Louisiana Supply Chain & Transportation Council (SCTC)



## Regional Smart Transportation Network



TRANSONIC TRANSPORTATION, LLC

## 2017 Senate Concurrent Resolution No. 99

**“Increase resilience in various modes of transportation through increased communication, collaboration, information technologies, and new innovations in transportation resilience.”**

- **Undertake projects and make recommendations to improve commercial transportation to make the Louisiana economy more resilient to disaster;**
- **Increase effectiveness of relationships between local, state, and federal transportation agencies, carriers, shippers and receivers.**
- **Provide advanced geospatial planning and coordination to predict points of failure and to inform in real time routes remaining open after a disaster;**
- **Support funding and resources to increase utilization of technology and new innovations in water, rail, road, and air modes of transportation.**





**Chair**

W. Michael Dunaway, PhD  
Louisiana BEOC / UL Lafayette

**Co-Chair**

Brad Lambert  
Louisiana Economic Development

**Members**

Bonnie Canal  
Association of Continuity Professionals

David Dodd  
International Resilience Institute

Louis Fey  
BXS Insurance

John Frary  
General Dynamics IT (GDIT)

Ed Jimenez  
Entergy

William Labar  
CGI Federal

Ginger Laurent  
Louisiana Banker's Association

Melissa Mann  
Century Link

John Morello  
Twistlock, Inc.

Drew Ratcliff  
Capital Region Planning Commission

# *Louisiana Cybersecurity Commission*

## **Private Sector & Economic Development Committee**

### *Enhancing Cybersecurity in the Private Sector for a Secure and Resilient Economy*

**Executive Order 17-31  
Louisiana Cybersecurity Commission**

**Goal Nr 9: Facilitate economic development by promoting a  
cyber-safe Louisiana for businesses and consumers.**



# Private Sector & Economic Development Committee

## Key Findings

**Guiding principle:** Cybersecurity—like preparedness, response, and recovery from natural and human-caused disasters—is a “Whole of Community” enterprise.

**Planning assumption:** Louisiana’s business environment—like the natural environment—is at constant risk: Cyber hazards constitute the “new normal” of business operations.

### Recommendations:

- 1. Establish an enduring state-wide program for cybersecurity as a long-term investment strategy in the stability, security and resilience of the Louisiana economy and business environment.**
- 2. The program should incorporate training and education in cybersecurity for business at the regional, local, and entity levels, and be designed with input from the business community.**
- 3. Committee recommends endorsement/adoption of the NIST Cybersecurity Framework and the Baldrige “Cybersecurity Excellence Builder” program as the foundation of a statewide program.**



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