

June 12, 2020

VIA HAND DELIVERY

Honorable Patrick Page Cortez
President
Louisiana State Senate
Post Office Box 94183
Baton Rouge, Louisiana 70804

RE: Veto of Senate Bill 418 of the 2020 Regular Session

Dear President Cortez:

Please be advised that I have vetoed Senate Bill 418 of the 2020 Regular Session.

While I appreciate the efforts that Senator Talbot made to work on a compromise bill that would lower automobile insurance rates in Louisiana, Senate Bill 418 is neither a compromise nor is it a mandate to decrease rates. I worked closely with Senator Talbot and other legislators and presented a number of areas where compromise could have been reached. My proposals included items such as a reduction of the jury trial threshold, elimination of the seatbelt evidentiary prohibition, and simplification of the collateral source rule in a manner which would prevent the unfair recoveries complained of by many insurers. However, for whatever reason, these efforts at compromise were not successful. However, I remain willing to work with anyone operating in good faith to reach a compromise. Those efforts and discussions have continued into this current extraordinary session, and I am confident that we can reach an agreement on a bill that will have broad support.

It is important to note that not a single insurance company testified in committee that Senate Bill 418 would actually reduce rates. Further, the rate reduction provision in the bill is permissive, rather than mandatory, and actually allows for rate increases if the insurers are able to demonstrate one would be needed. I remain convinced that if we are truly going to reduce insurance rates, we need to confront all of the underlying factors that lead to high insurance rates, such as distracted driving, poor road and bridge infrastructure, and discriminatory practices based on credit rating and gender that lead to more uninsured or underinsured drivers. I supported efforts in this last regular session that would have addressed many of these issues, and I will continue to advocate for these changes.

The issue of lowering insurance rates should be non-political and bipartisan, so long as those legislators and stakeholders who truly want to arrive at a real solution are able to define the

Honorable Patrick Page Cortez
June 12, 2020
Page Two

debate and ultimate agreement. I support those efforts and will work diligently to get to that result.

Sincerely,

John Bel Edwards
Governor

cc: Honorable Clay Schexnayder
Louisiana Speaker of the House