

2024 Regular Session

SENATE STUDY REQUEST NO. 2

BY SENATOR BASS

COMMITTEE STUDIES. Requests study of impact of Louisiana's legal environment on the state's insurance market and rates.

1 A STUDY REQUEST

2 To request the Senate Committee on Insurance to study the impact of Louisiana's legal
3 environment on the insurance market and rates.

4 WHEREAS, it is generally recognized that Louisiana is currently experiencing a
5 crisis in both property and casualty insurance and auto insurance in terms of availability and
6 costs of insurance for consumers; and

7 WHEREAS, insurance at its most basic level is a simple economic proposition that
8 a premium is paid for an insurer to take on a risk and then pay out a claim for a future loss
9 if the negative outcome occurs; and

10 WHEREAS, the focus in such an equation is estimating the probability of loss and
11 the size of the claim; and

12 WHEREAS, insurance companies, in deciding whether to enter a market or remain
13 in a market, often rely on statistical analysis of past losses based on specific variables of the
14 insured as one of the factors in that determination; and

15 WHEREAS, while there are many factors that contribute to availability and costs of
16 insurance, there is a general concern that insureds are being encouraged or influenced in
17 ways that are exacerbating the current insurance crisis.

18 THEREFORE, BE IT RESOLVED that the Senate of the Legislature of Louisiana

