

2024 Regular Session

SENATE STUDY REQUEST NO. 2

BY SENATOR BASS

A STUDY REQUEST

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

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

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

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

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

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

THEREFORE, BE IT RESOLVED that the Senate of the Legislature of Louisiana requests that the Senate Committee on Insurance study the impact of Louisiana's legal environment on the insurance market and rates.

BE IT FURTHER RESOLVED that a copy of this Study Request shall be transmitted to the commissioner of Insurance and the chief justice of the Louisiana Supreme Court.