



Rev. 10/8/25

2025 Regular Session Recap

Louisiana Department of Insurance
Commissioner Timothy J. Temple

Auto Insurance Reform



**LOUISIANA
DEPARTMENT OF
INSURANCE**

Why is Auto Insurance So High in Louisiana?



**LOUISIANA
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INSURANCE**

Personal Auto Insurance Cost Drivers

The IRC has identified several factors that contribute to the rising cost of insurance. For many key cost drivers, Louisiana is above the national average, particularly in injury claim relative frequency, underinsured motorists, and claim litigation.²

Accident frequency: The number of property damage liability claims per 100 insured vehicles in Louisiana is slightly higher than the countrywide average.

Repair cost severity: The average property damage claim in Louisiana is similar to that in the rest of the country.

Injury claim relative frequency: Louisianians show a greater propensity to file injury claims once an accident has occurred, with a relative claim frequency almost twice the U.S. average.

Injury claim severity: The average amount paid per claim for auto injury insurance claims in Louisiana is lower than the national average, largely due to lower policy limits.

Uninsured motorists (UM): Despite the high cost of insurance, the percentage of motorists driving without liability insurance is slightly below the national average.

Underinsured motorists (UIM): The rate of underinsured motorists in Louisiana is more than double the countrywide rate, as the amounts claimed for injury compensation outstrip the relatively low policy limits chosen by many drivers.

Expense index: Claim settlement is somewhat more expensive in Louisiana, as measured by the amount insurers spent to process, investigate, and litigate claims, as a percentage of incurred losses.

Claim litigation: The rate of litigation in personal auto claims in Louisiana is more than three times the national average and one of the highest in the country.

Personal Auto Cost Drivers

■ Louisiana ■ Total U.S.

Accident Frequency
Louisiana: 2.88
Total U.S.: 2.62

Repair Cost Severity
Louisiana: \$6,246
Total U.S.: \$6,281

Injury Claim Relative Frequency
Louisiana: 49.15
Total U.S.: 26.30

Injury Claim Severity
Louisiana: \$22,627
Total U.S.: \$28,045

Uninsured Motorists
Louisiana: 13.9%
Total U.S.: 14.9%

Underinsured Motorists
Louisiana: 35.6%
Total U.S.: 15.7%

Expense Index
Louisiana: 14.6
Total U.S.: 13.8

Claim Litigation
Louisiana: 2.3
Total U.S.: 0.6

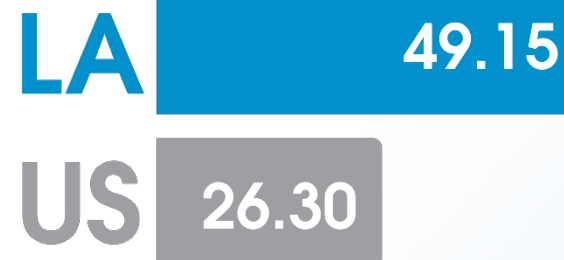
Source: Insurance Research Council

Auto Insurance Reform Focus

Injury claim relative frequency:

Louisianians show a greater propensity to file injury claims once an accident has occurred, with a relative claim frequency almost twice the U.S. average.

Injury Claim Relative Frequency



Claim litigation: The rate of litigation in personal auto claims in Louisiana is more than three times the national average and one of the highest in the country.

Claim Litigation



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ACT 15 by Rep. Chenevert

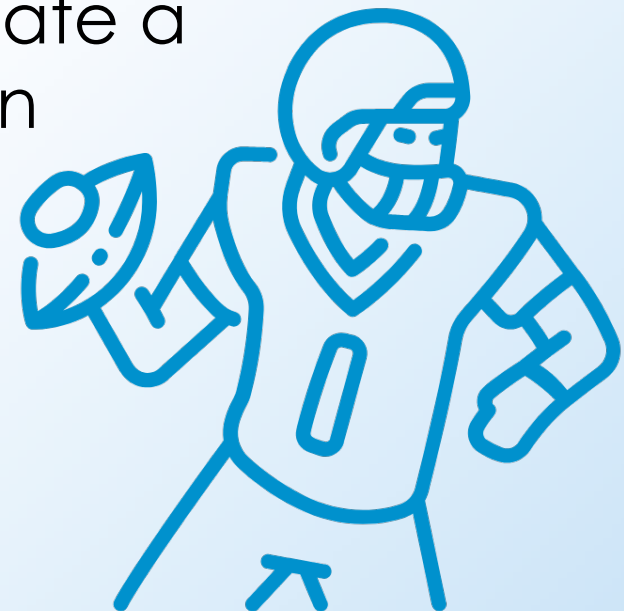
- **Current Law:** Pure Comparative Fault
 - Factfinder apportions fault by percentages
 - Damages are awarded to plaintiff from defendants in proportion of their fault
- **New Law:** Modified Comparative Fault
 - Factfinder apportions fault by percentages
 - If plaintiff is less than 51% at fault, damages are awarded to plaintiff from defendants in proportion of their fault
 - If the plaintiff is more than 51% at fault, the plaintiff cannot recover damages from defendants
 - Brings LA law in line with 34 other states
- *Effective January 1, 2026*



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ACT 18 by Rep. Melerine

- **Previous Law:** If there was no evidence of an injury prior to an accident and there is an injury after the accident, the accident was presumed to have caused the injury.
 - Jurisprudential rule called the “Housely Presumption” created by the LA Supreme Court in Housley v. Cerise (579 So. 2d 973 (1991))
- **New Law:** In a personal injury claim, the lack of a prior history of an injury shall not create a presumption that the act in question caused the injury.
- *Effective May 28, 2025*



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ACT 85 by Rep. Firmment

- **Current Law:** P/C insurers are allowed to include all advertising expenses in their rate base
- **New Law:** P/C insurers are prohibited from including institutional advertising expenses in their rate base
 - Institutional advertising is advertising not aimed at:
 - Obtaining business for a specific insurer OR
 - Providing consumers with information pertinent to the decision as to whether to purchase an insurance product
- *Effective January 1, 2026*



ACT 16 by Rep. Dewitt

- **Previous Law:** Prohibited a claimant from receiving the first \$15,000 of bodily injury damages and the first \$25,000 of property damages if they did not have at least minimum limit auto coverage
- **New Law:** Increases the reduction in damages to the first \$100,000 of bodily injury damages and the first \$100,000 of property damages if the claimant does not have at least minimum limit auto coverage.
- *Effective August 1, 2025*



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ACT 288 by Rep. Glorioso

- Prohibits the use of a cell phone while driving on any public road or highway with certain exceptions
 - Cell phone use includes phone calls, texting, accessing social media, creating photos or videos, and holding or physically supporting a cell phone
 - Exceptions include reporting an emergency, working as a transportation network company employee if the phone is affixed to the car, use while car is stationary, viewing GPS data, dialing 911 to report a crime
 - Violation is generally a nonmoving offense but is a primary offense if committed in a school zone or construction zone
- *Effective August 1, 2025*



ACT 19 by Rep. Schamerhorn

- Requires authorized insurers to provide an actuarially justified discount on the liability premium of policies insuring commercial vehicles with a dashboard mounted camera and a telematics system
- *Effective January 1, 2026*



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ACT 313 by Rep. Bamburg & Sen. Bass

- Captives are essentially a form of self-insurance whereby the insurer is owned wholly by the insured.
- Typically established to meet the unique risk-management needs of the owners or members
- **Previous captive insurer laws** in Louisiana were outdated and not attractive to doing business in our state.
 - Only 3 captive insurers were licensed in Louisiana.
- **New law** modernizes Louisiana's captive insurer laws, in many ways mirroring Vermont's captive insurer laws.
 - Vermont has the largest captive market in the U.S.
- *Effective August 1, 2025*



ACT 466 by Sen. Reese

Current Law:

- Only allows the jury to hear evidence of the amount billed for medical services, even if the amount that was actually paid was significantly lower than the billed amount.
- Mandates that plaintiffs receive a bonus on their recovery equal to 40% of the difference between the amount that was billed and amount that was actually paid.

New Law:

- Allows the jury to hear both the amount that was billed and the amount that was actually paid.
- Repeals the mandated 40% bonus on the plaintiff's recovery.
- *Effective January 1, 2026*



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A reduction in accident frequency is driving rate decreases in 2025

APPROVED	COMPANY	WRITTEN PREMIUM	% CHANGE
1/3/2025	Imperial Fire and Casualty (AllState)	\$ 56,073,443	-7.9%
1/3/2025	Imperial Fire and Casualty (AllState)	\$ 99,838,669	-8.1%
3/18/2025	Geico [commercial auto]	\$ 913,093	-7.3%
4/22/2025	State Farm	\$ 1,803,928,170	-3.915%
4/29/2025	GoAuto	\$ 172,370,379	-8.06%
5/14/2025	Hugo	\$ 96,103	-13.6%
5/28/2025	LM General (Liberty Mutual)	\$ 25,511,750	-5.1%
5/28/2025	Peerless Indemnity (Liberty Mutual)	\$ 22,321,483	-5%
5/28/2025	Liberty (Liberty Mutual)	\$ 3,700,848	-5%
6/26/2025	Encompass (AllState)	\$ 5,181,903	-1.3%
7/18/2025	GoAuto	\$ 157,798,164	-9.92%
7/23/2025	Progressive Security	\$ 681,691,232	-3.2%
7/29/2025	Imperial Fire and Casualty (AllState)	\$ 96,846,628	-5%
8/5/2025	GM National	\$ 3,679	-6.9%



LDI Press Release – October 2, 2025

- Louisiana Farm Bureau Auto Rate Decrease
- Growth of Homeowners Wind & Hail Program



**LOUISIANA
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FOR IMMEDIATE RELEASE
October 2, 2025

Commissioner Miller Announces Louisiana Farm Bureau Auto Rate Decrease, Growth of Homeowners Wind & Hail Program

Insurance Commissioner Timothy J. Miller today announced two significant regulatory actions. First, the Louisiana Farm Bureau's auto insurance rates have been approved for a decrease. Second, the Louisiana Department of Insurance (LDI) has approved a new rate for the Homeowners Wind & Hail Program, which will provide a 10% discount to policyholders who have a claim-free record for three years.

"I am pleased to announce these two regulatory actions," Commissioner Miller said. "The Louisiana Farm Bureau's auto insurance rates have been approved for a decrease, which is a significant benefit to policyholders. Additionally, the new rate for the Homeowners Wind & Hail Program will provide a 10% discount to policyholders who have a claim-free record for three years, which is a significant benefit to policyholders as well."

As part of the LDI's ongoing efforts to ensure that Louisiana's insurance market is fair and competitive, the LDI has approved the new rate for the Homeowners Wind & Hail Program. The new rate will be effective on January 1, 2026. The LDI has also approved the new rate for the Homeowners Wind & Hail Program, which will provide a 10% discount to policyholders who have a claim-free record for three years.

"The LDI is committed to ensuring that Louisiana's insurance market is fair and competitive," Commissioner Miller said. "The new rate for the Homeowners Wind & Hail Program will provide a 10% discount to policyholders who have a claim-free record for three years, which is a significant benefit to policyholders. Additionally, the new rate for the Homeowners Wind & Hail Program will provide a 10% discount to policyholders who have a claim-free record for three years, which is a significant benefit to policyholders as well."

For more information on the LDI's regulatory actions, visit the LDI's website at www.ladi.state.la.us or call the LDI's toll-free number at 1-800-488-6262. You can also contact the LDI's public information officer at 225-342-4069 or by email at publicinfo@ladi.state.la.us.

Property Insurance Reform



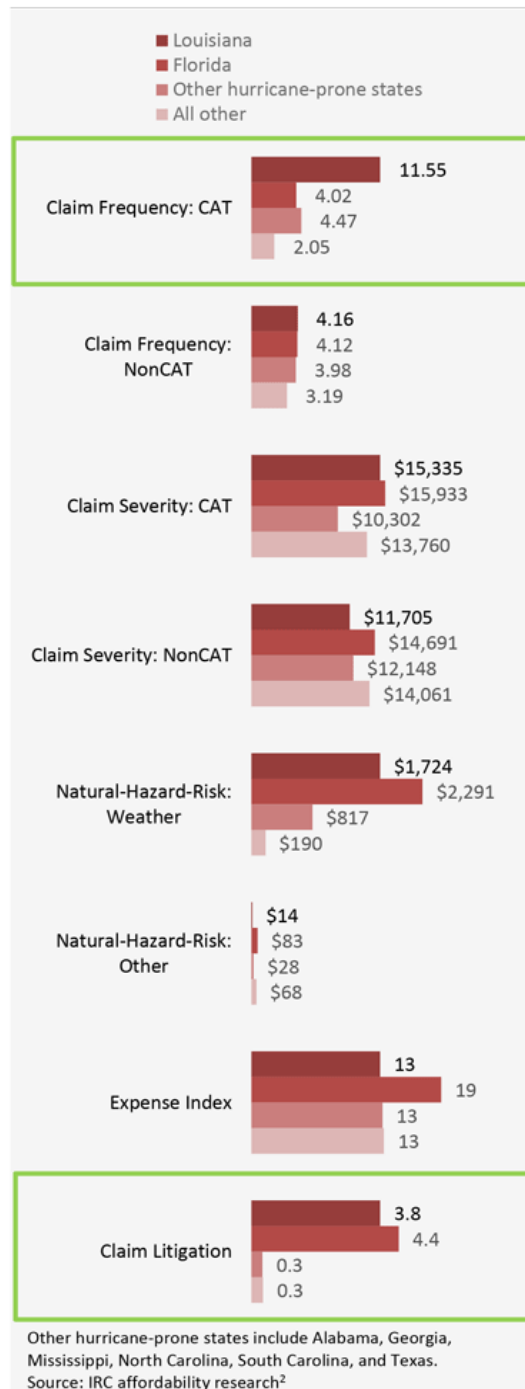
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Why is Property Insurance so High in Louisiana?



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Homeowners Insurance Cost Drivers



Similar to auto insurance affordability, nearly every homeowners insurance cost driver in Louisiana is well above the nationwide average. Particularly dramatic difference from the countrywide average is observed in the claim frequency (CAT) and claims litigation drivers.²

Claim frequency, catastrophe claims (CAT): The number of catastrophe claims paid for every 100 exposures insured for the entire year in Louisiana is almost 6 times higher than the countrywide average.

Claim frequency, non-catastrophe claims (NonCAT): The number of non-catastrophe claims paid for every 100 exposures insured is somewhat higher in Louisiana.

Claim severity, catastrophe claims (CAT): In the hurricane-prone region, Louisianians are second only to Floridians in the amount paid for the average homeowners insurance claim. Louisiana is 12 percent higher than the countrywide average.

Claim severity, non-catastrophe claims (NonCAT): The average claim payment for all non-catastrophe claims paid in Louisiana is lower than the national average.

Natural-hazard risk, weather: Louisiana's exposure to building damage from weather hazards is second only to Florida's and is dramatically higher than other states'.

Other natural-hazard risk: Louisiana is less vulnerable to building damage from other natural hazards such as wildfires.

Expense index: The amount insurers spent to process, investigate, and litigate claims (loss adjustment expenses) as a percentage of incurred losses is on par with the rest of the country.

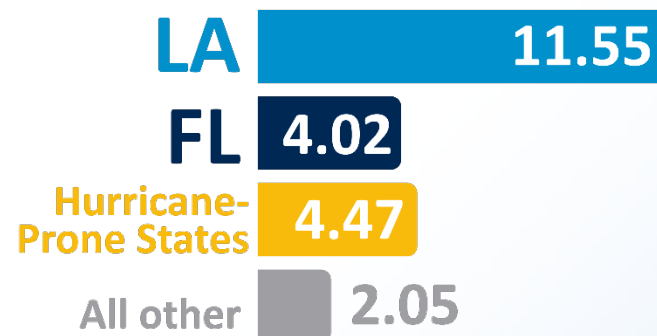
Claim litigation: Claims in Louisiana were more than 12 times more likely to involve litigation, compared with states other than Florida.

Source: Insurance Research Council

Property Insurance Reform Focus

Claim frequency, catastrophe claims (CAT): The number of catastrophe claims paid for every 100 exposures insured for the entire year in Louisiana is almost 6 times higher than the national average.

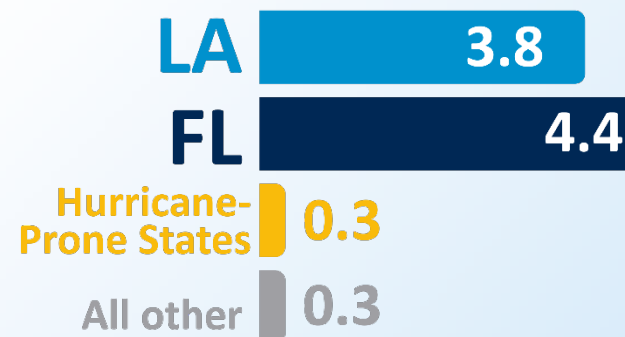
Claim Frequency, Catastrophe Claims (CAT)



Hurricane-prone states include AL, GA, MS, NC, SC and TX

Claim litigation: Claims in Louisiana were more than 12 times more likely to involve litigation compared states other than Florida.

Claim Litigation



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ACT 500 by Rep. Firmont

- Allows insurers to require an insured to submit a proof of loss statement as a prerequisite to claim payment
- If an insurer requires an insured to submit a proof of loss statement, that submission will be the only means of establishing satisfactory proof of loss.
- *Effective August 1, 2025*



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PROOF OF LOSS FORM	
INSURANCE COMPANY:	
POLICY NUMBER:	POLICY COVERAGE PERIOD: <i>From:</i> _____ <i>To:</i> _____
POLICYHOLDER NAME(S):	POLICY LIMITS:
INSURED'S CURRENT CONTACT INFORMATION: <i>Phone Number:</i> _____ <i>Email Address:</i> _____	
INSURANCE CLAIM NUMBER:	DATE OF LOSS:
LOCATION OF LOSS (<i>physical address</i>):	
TYPE OF PROPERTY (<i>dwelling, other structure, contents</i>):	
BRIEFLY IDENTIFY HOW YOUR LOSS OCCURRED (<i>fire, flood, hurricane, or other windstorm event</i>):	
LEGAL OWNER(S) OF THE PROPERTY ON THE DATE OF LOSS, INCLUDING MORTGAGEES (<i>if any</i>):	
ESTIMATED TOTAL COST OF REPAIR OR REPLACEMENT OF PROPERTY CALCULATED TO DATE*	
ARE THERE ANY OTHER INSURANCE POLICIES THAT COVER THIS PROPERTY? Y or N (circle one) If yes, please identify the name of the insurance company, policy number, policy limits, and the amount of policy proceeds recovered to date for this loss (if any).	

1

I certify that the information provided in this Proof of Loss Form is true, correct, and current to the best of my knowledge, and belief. The loss(es) identified herein did not originate due to any act, plan, or procurement on my part. Additionally, I have not taken nor consented to any action designed to violate the conditions of my Policy or render it void. I further certify that all material facts known to date have been provided to my Insurance Company, and I have not artificially inflated any part or portion of my loss claim, concealed or misrepresented the pre-loss condition of my property, or otherwise engaged in any deceptive conduct with respect to my property loss claim.

The furnishing of this form or the preparation of proof by a representative of the above insurance company is not a waiver of any of its rights.

Executed this _____ day of _____, 20__.

Signature: _____ Signature: _____
INSURED INSURED

** Please note, this PROOF OF LOSS FORM does not preclude an insured from submitting a supplemental loss claim if necessary. The amount identified in response to the "ESTIMATED TOTAL COST OF REPAIR OR REPLACEMENT OF PROPERTY CALCULATED TO DATE" inquiry is based solely upon the damages and losses ascertained to date.*

If you have any questions or concerns regarding your claim or the claims process, please refer to the Louisiana Department of Insurance's [Catastrophe Claims Process Disclosure Guide](#) on the Louisiana Department of Insurance's website.

2



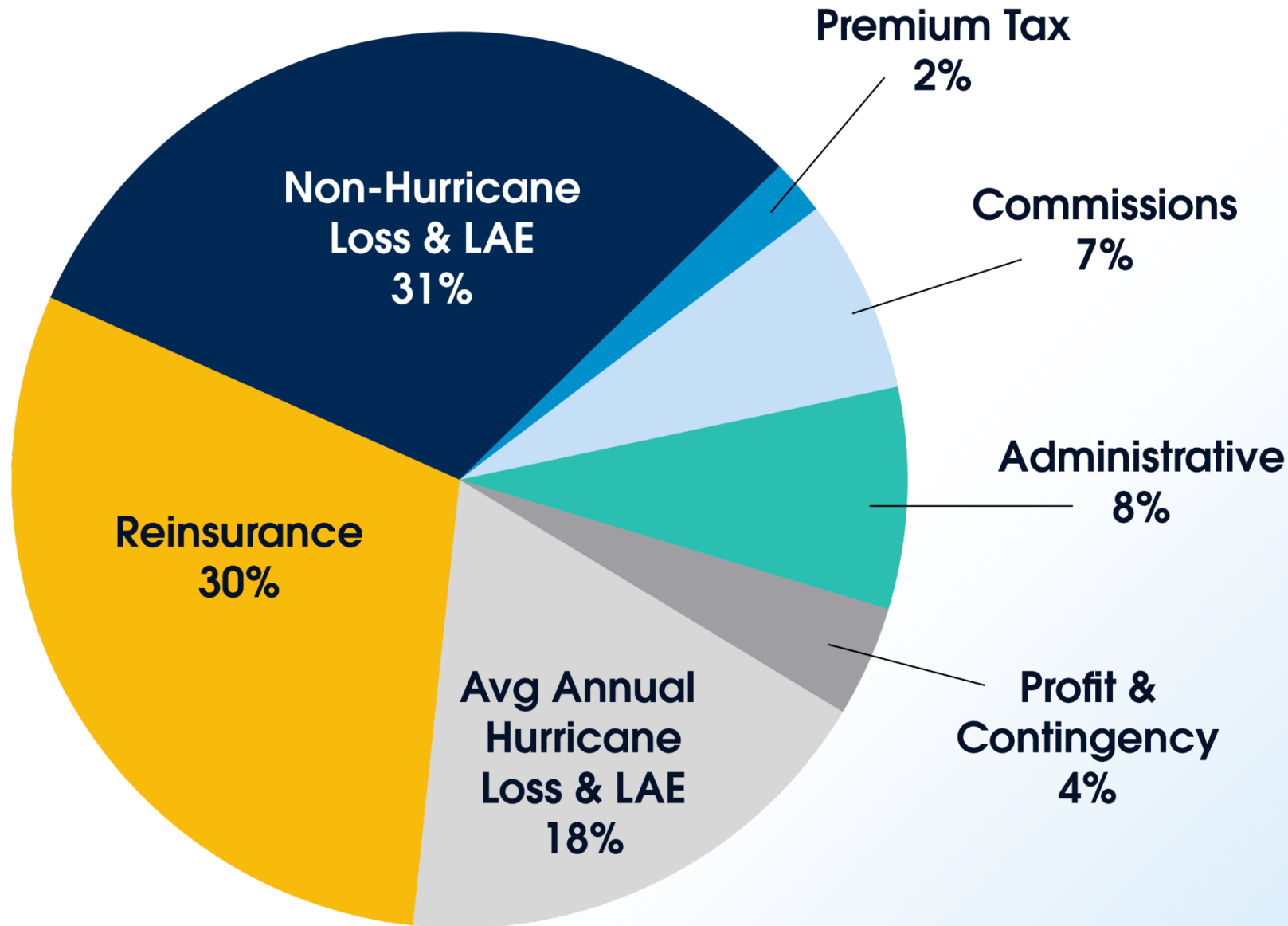
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INSURANCE**

ACT 428 by Sen. Talbot

- Requires homeowners and private passenger auto insurers to provide a rate transparency report to consumers upon issuing a new policy and at renewal.
- A rate transparency report must include information concerning certain cost drivers and the percentage of premium associated with those cost drivers.
- Premium percentages must be given in a type print format and a graphical format.
- *Effective January 1, 2027*



Rate Calculation Breakdown



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Percentage amounts are for illustration purposes only.

ACT 182 by Rep. Wyble

- Standardizes the notice period for cancellation and nonrenewal to 60 days for homeowners, private passenger automobile, and commercial policies with certain exceptions, like nonpayment of premium
- Requires insurers to disclose the nonrenewal reason when nonrenewing a homeowners or a private passenger automobile policy
- *Effective July 1, 2026*



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ACT 429 by Sen. Talbot

- Requires authorized automobile and property insurers to notify the LDI within 10 days of notifying its agents of any decision to cease, pause, or resume writing new business in a particular region
- This information is not subject to public disclosure.
- *Effective January 1, 2026*



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LA Fortify Homes Program Legislation

- **ACT 501** by **Rep. Henry** increases certain fees collected by the LDI, which will be dedicated to the LA Fortify Homes Program, *effective January 1, 2026*.
- **ACT 79** by **Rep. Hebert** dedicates certain taxes and fees collected by the LDI to the LA Fortify Homes program, *effective July 1, 2026*.
- **ACT 32** by **Sen. McMath** provides a state income tax exemption for taxpayers who receive a grant through the LA Fortify Homes Program, *effective June 4, 2025*.



Fortified Roof Tax Incentives

- **ACT 404** by **Sen. Talbot** establishes a state income tax credit of up to \$10,000 for taxpayers who self-fund a fortified roof retrofit on their home
 - *Effective for expenses paid on or after July 1, 2025*
 - *Sunsets on December 31, 2031*
- **ACT 473** by **Rep. Wilder** increases the state income tax deduction for taxpayers who self-fund a fortified roof retrofit on their home from \$5,000 to \$10,000
 - *Effective January 1, 2026*



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ACT 239 by Rep. Gadberry

- Requires municipalities and parishes, who issue permits for construction, to permit and inspect all one-and two-family dwellings for roof construction and reroofing in compliance with the building codes
- *Effective August 1, 2025*



**LOUISIANA
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ACT 62 by Rep. Berault

- Creates the Louisiana Roof Registry within the LDI
 - Voluntary registry for individuals and local governments to submit roof information to the database
 - More accurate data allows insurers to better assess the risk in an area and allows reinsurers to better underwrite
 - Could lower reinsurance costs, allowing insurers to offer more competitive rates
- *Effective August 1, 2025*



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Other Insurance Reforms



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INSURANCE**

ACT 144 by Rep. Adams

- Prohibits public adjusters from acting as a contractor or roofer, if he provided PA services for the insured on the property
- Prohibits contractors from advertising as an insurance claims specialist or advertising as providing insurance claims or policy interpretation services
- The Coalition Against Insurance Fraud estimates the cost of insurance fraud in the United States to be approximately \$308.6B annually
- *Effective August 1, 2025*



ACT 83 by Rep. Dickerson

- **Previous Law:** Unspent funds from the anti-fraud assessment that were not appropriated by the year's end were refunded to the industry.
- **New Law:** Allows any unspent funds to be used by the anti-fraud task force for future insurance fraud investigation and prosecution efforts
- *Effective June 4, 2025*



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ACT 490 by Rep. Melerine

- ACT 782 of the 2024 Regular Session was meant to codify the perimeters for performing a payroll audit.
- A drafting error toward the end of the legislative process resulted in the ACT effectively prohibiting the collection of premiums owed after a payroll audit.
- This ACT clarifies the original intent of ACT 782.
- *Effective July 1, 2025*



ACT 11 by Rep. Wiley

- Originally, this ACT only required insurers to include the last year's premium near the renewal premium on its homeowners and private passenger automobile renewal notices.
- A House floor amendment added language giving the Commissioner the power to disapprove a rate if he thinks it is “excessive” without clear guidelines for determining if a rate is “excessive.”
- The House floor amendment also gives the Commissioner the power to force insurers to issue refunds to consumers if he thinks a rate already charged was “excessive” without a limitation on the lookback period.



Why was this added to ACT 11?

- **Was this added to give the Commissioner the power to disapprove a rate that is too high for the risk insured?**
 - R.S. 22:1465 in previous law required the Commissioner to disapprove a rate that is not actuarially justified.
- **Was this added to bring Louisiana's rate making law in line with the NAIC model law?**
 - Louisiana's rate making law before ACT 11 was largely identical to NAIC Model Law 1775, which prohibits the Commissioner from disapproving a rate for being excessive in a competitive market if it is actuarially justified.
- **Was this added to bring Louisiana's rate making law in line with the majority of other states?**
 - Over half of the states, including 8 southern states, presume a rate is not excessive in a competitive market or prohibit the Commissioner from finding a rate excessive in a competitive market.
 - Act 11 makes Louisiana the only state in the country in which the Commissioner can require an insurer to issue a refund for a rate he deems to be excessive without any limitation on the lookback period.



ACT 11 by Rep. Wiley

- A Senate floor amendment added language clarifying the Commissioner's power to determine if rate information is confidential or proprietary and requires the Commissioner to notify an insurer if someone requests information that was marked confidential or proprietary before disclosing the information.
- The ACT does not require the Commissioner to notify an insurer before publicly disclosing rate information marked as confidential or proprietary when he does so without a request for such.
- *Effective August 1, 2025*



ACT 29 by Sen. Wheat

- **Previous Law:** Insurance producers, adjusters and public adjusters were required to complete 24 hours of continuing education every 2 years.
- **New Law:** Dedicates 2 hours of continuing education for each of these licensees to legislative updates in insurance law.
- *Effective August 1, 2025*



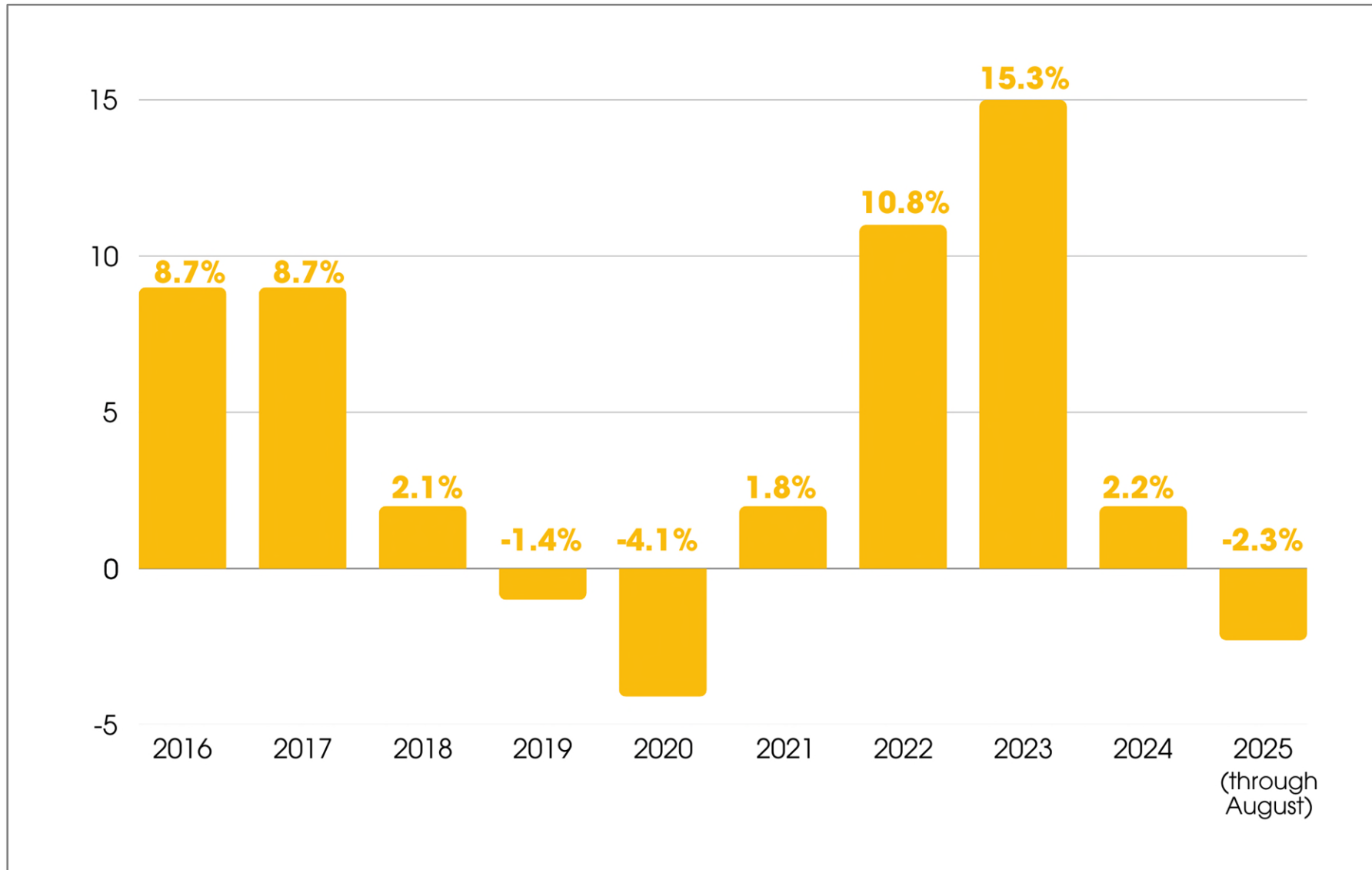
Outcomes

- Although it takes time for legislation and systemic changes to reflect the desired outcomes, the data show that we're moving in the right direction.
- The following slides show hopeful trends in rate changes for Private Passenger Auto, Commercial Auto and Homeowners insurance.



Private Passenger Auto

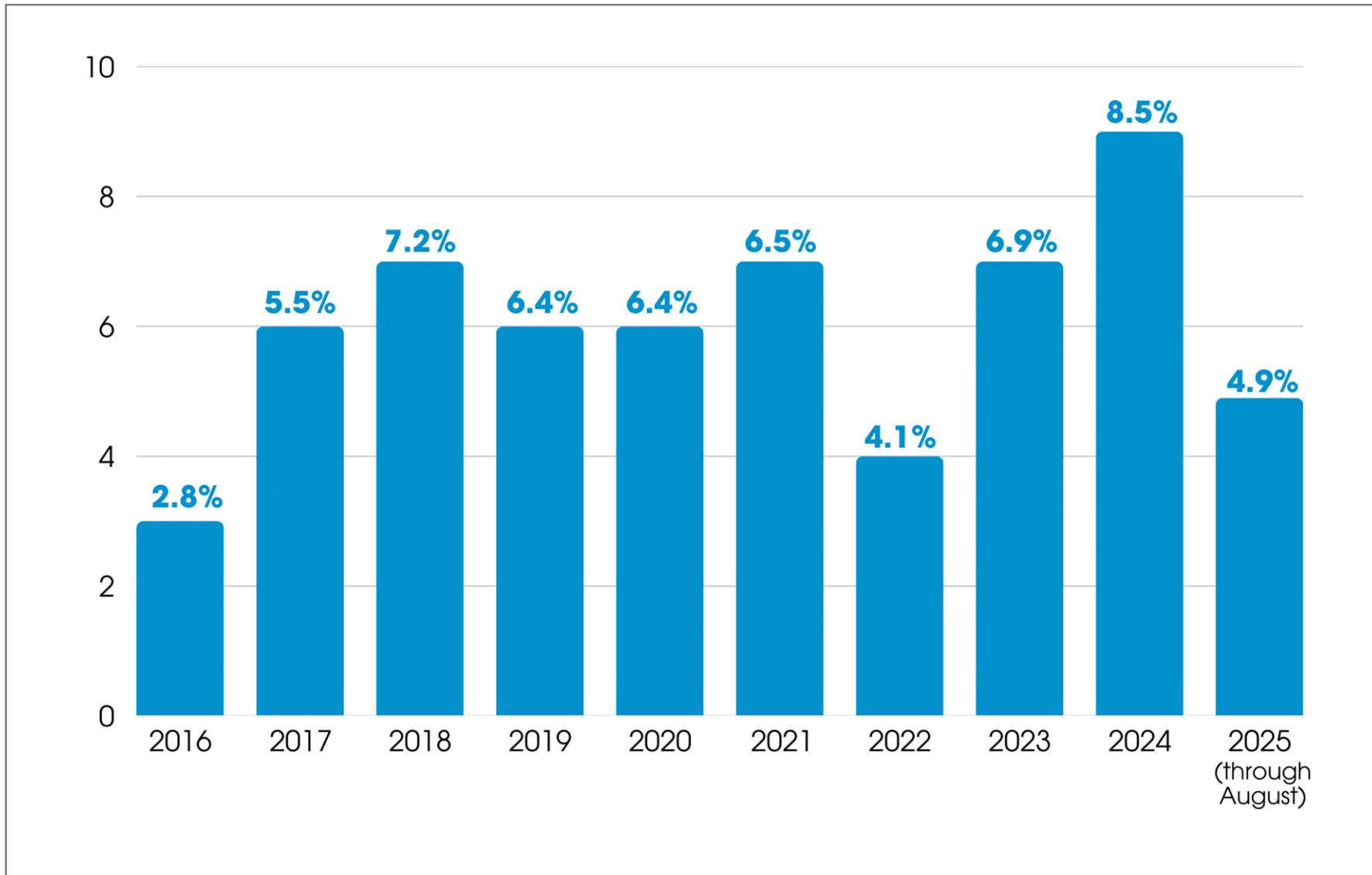
% Rate Increases By Year



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Source: LDI Rate Summary Reports

Commercial Passenger Auto % Rate Increases By Year

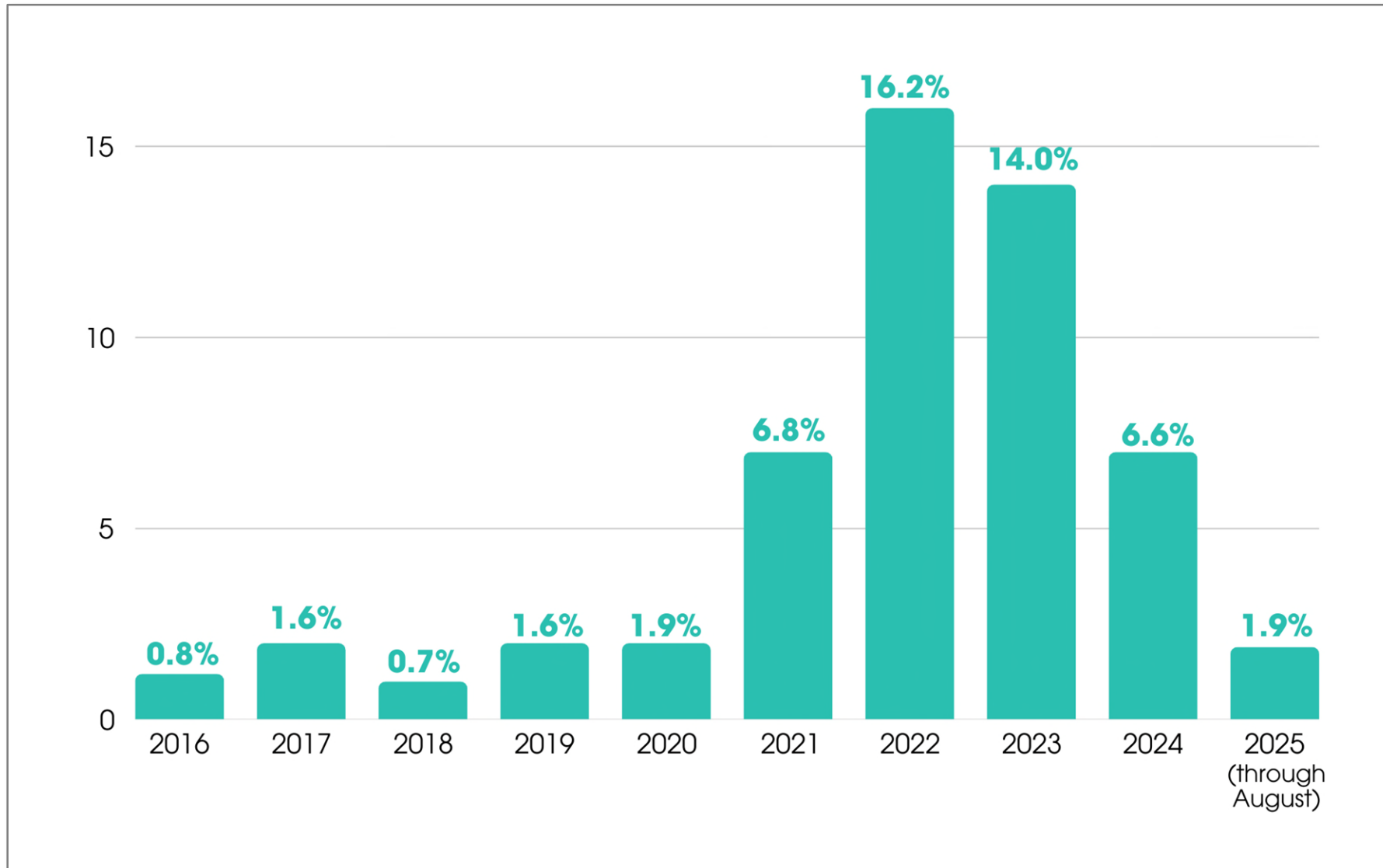


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Source: LDI Rate Summary Reports

Homeowners

% Rate Increases By Year

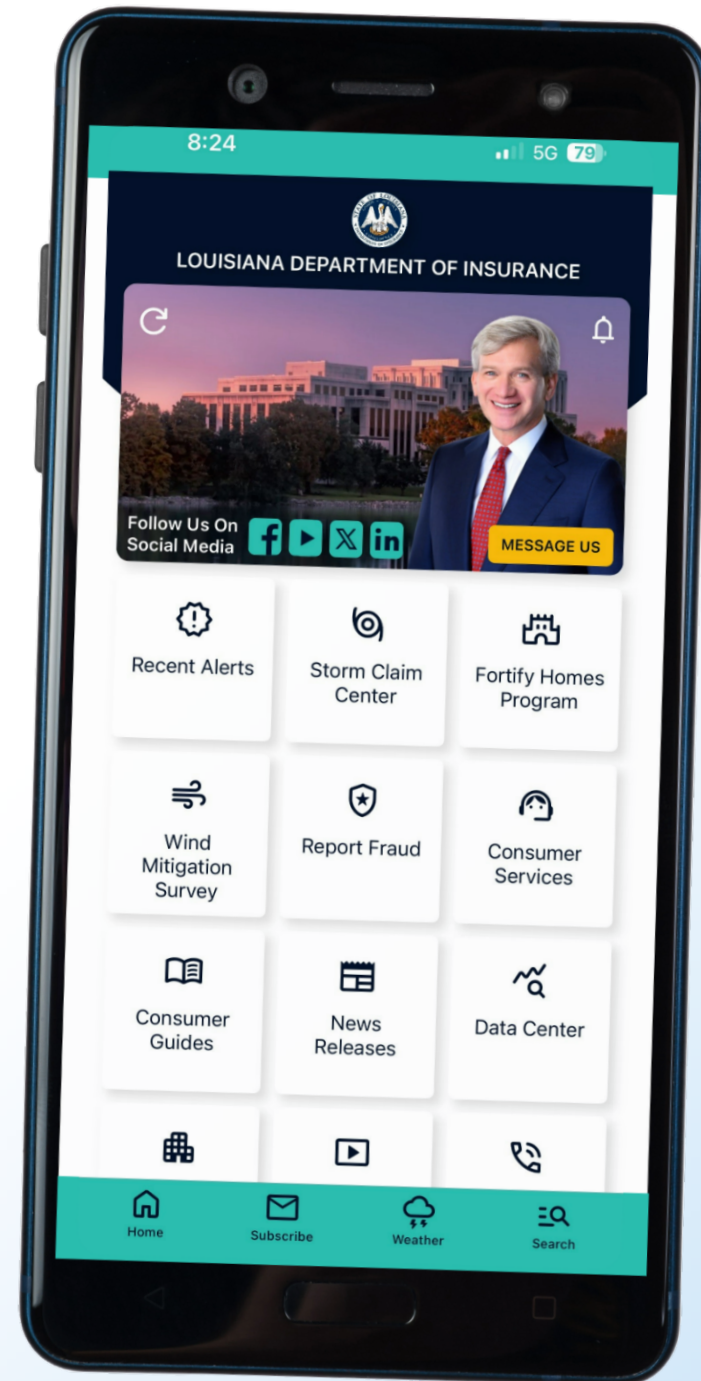
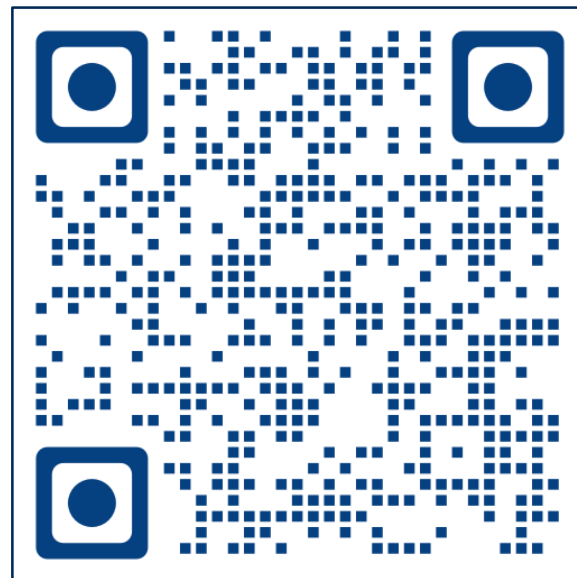


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Source: LDI Rate Summary Reports

LDIConnect app

Download the LDI mobile app for easy access to resources like the Wind Mitigation Survey, Storm Claim Center and Fraud Reporting.



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LDI Website – www.lidi.la.gov

- Storm Claim Center
- Consumer Resources
- Industry Resources
- News Releases
- Programs & Incentives
- Rules & Regulations
- FAQs & more...



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Questions?



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