

2020 First Extraordinary Session

SENATE CONCURRENT RESOLUTION NO. 28

BY SENATOR JACKSON

INSURANCE DEPARTMENT. Requests that the Department of Insurance study and report on approaches taken by other southern states to reduce automobile insurance premiums, report statistics obtained by the insurance fraud investigation unit, and advise as to ways to increase the number of automobile insurers writing policies in the state and to report that information to the legislative Task Force on Available and Affordable Automobile Insurance.

A CONCURRENT RESOLUTION

To urge and request the Department of Insurance to study and report on approaches taken by other southern states to reduce auto insurance premiums, to report statistics related to insurance fraud compiled by the Louisiana Automobile Theft and Insurance Fraud Prevention Authority, and to advise the legislature as to any steps taken and any progress made by the department to increase the number of automobile insurers offering policies in Louisiana, and to create the legislative Task Force on Available and Affordable Automobile Insurance to provide a forum in which the department shall present its findings to the legislature and the public.

WHEREAS, Louisiana residents continue to struggle to pay for auto insurance, as evidenced by Louisiana's ranking as the second most expensive state for automobile insurance in the nation; and

WHEREAS, according to the Louisiana Department of Insurance, approximately fifteen percent of Louisiana drivers do not have insurance and forty percent have only the minimum policy; and

WHEREAS, studies have reported that Louisiana residents often pay as much as fifty percent more than the national average for auto insurance; and

WHEREAS, other southern states, including Arkansas, have recently taken action

1 to lower auto insurance rates by reducing auto insurance fraud and investing in technical
2 support to allow for real-time reporting on whether a driver actually has auto insurance or
3 is uninsured; and

4 WHEREAS, Arkansas requires auto insurers to offer mandatory discounts, such as
5 a discount for college graduates and defensive driver discounts for those insureds fifty-five
6 years and older who have successfully completed a course approved by the Arkansas Office
7 of Driver Services; and

8 WHEREAS, legislation was filed in Maryland earlier this year, modeled after a
9 California program, that would have created the Lifeline Low-Cost Automobile Insurance
10 Program to offer certain low-cost auto insurance policies to certain residents of Maryland
11 in households with a gross annual household income not exceeding three hundred percent
12 of the federal poverty level and who met certain other requirements such as having good
13 driving records; and

14 WHEREAS, Florida requires pre-owned automobiles to go through vehicle
15 pre-insurance inspection prior to obtaining automobile insurance, with the ultimate goals of
16 preventing fraud and helping reduce the cost of automobile physical damage, collision, and
17 comprehensive insurance coverage by accurately documenting each vehicle; and

18 WHEREAS, according to the Insurance Information Institute, forty-seven states
19 including Louisiana have set up fraud bureaus or units to combat common fraudulent
20 insurance practices including padding or inflating claims, misrepresenting facts on an
21 insurance application, submitting claims for injuries or damage that never occurred, and
22 staging accidents; and

23 WHEREAS, the Louisiana Automobile Theft and Insurance Fraud Prevention
24 Authority is statutorily created to assist the department of insurance in investigating fraud
25 and reporting any fraud found to law enforcement authorities; and

26 WHEREAS, it would assist the legislature in its policy-making role for the
27 department to study the statistics related to fraud apprehension by the Louisiana Automobile
28 Theft and Insurance Fraud Prevention Authority in comparison to the fraud units in other
29 southern states and to report to the legislature those statistical findings; and

30 WHEREAS, considering that increased competition among auto insurance companies

1 in Louisiana should lower rates, the legislature would be further assisted by the department
2 advising and reporting on any steps taken and any progress made to increase the number of
3 automobile insurers offering auto insurance policies in Louisiana; and

4 WHEREAS, it would assist Louisiana residents in lowering their individual
5 automobile insurance rates for the department to link or attach prominently to the
6 department's website a document similar to the "Nine Ways to Lower Your Auto Insurance
7 Costs" by the Insurance Information Institute; and

8 WHEREAS, the legislature desires to form a task force to study available and
9 affordable automobile insurance and to provide a forum for the department to present its
10 findings to the legislature and to the public.

11 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby
12 urge and request the Department of Insurance to study and report to the legislature on
13 approaches taken by other southern states to reduce auto insurance premiums, to report the
14 statistics related to insurance fraud compiled by the Louisiana Automobile Theft and
15 Insurance Fraud Prevention Authority, and to advise and report on any steps taken and any
16 progress made by the department to increase the number of automobile insurers offering auto
17 insurance policies in Louisiana.

18 BE IT FURTHER RESOLVED that the Legislature of Louisiana hereby creates the
19 Task Force on Affordable Automobile Insurance to study the availability of affordable
20 automobile insurance and to provide a forum for the Department of Insurance to present the
21 results of the studies and content of the requested reports pursuant to this Resolution to the
22 legislature and to the public.

23 BE IT FURTHER RESOLVED that the task force shall be comprised of the
24 following members:

25 (1) Two senators appointed by the president of the Senate, who shall designate one
26 senator to serve as cochairman.

27 (2) Two representatives appointed by the speaker of the House of Representatives,
28 who shall designate one representative to serve as cochairman.

29 (3) The commissioner of insurance, or his designee.

30 (4) The colonel of the state police, or his designee.

1 (5) One member appointed by the Louisiana Association of Business and Industry.

2 (6) One member appointed by the Louisiana Chapter of the American Federation of
3 Labor and Congress of Industrial Organizations.

4 (7) Five members, one to be appointed by each of the five insurance companies with
5 the greatest number of automobile insurance policies written in Louisiana during the last
6 calendar year, as reported by the Department of Insurance.

7 (8) One member appointed by the Louisiana Association of Justice.

8 (9) The governor, or his designee.

9 (10) One member who is a Louisiana driver who purchases Louisiana private
10 passenger automobile insurance, appointed by the Louisiana Chapter of the American
11 Association of Retired Persons.

12 (11) One member who is a Louisiana driver who purchases Louisiana private
13 passenger automobile insurance, appointed by Together Louisiana.

14 (12) One member who is a Louisiana driver who purchases Louisiana private
15 passenger automobile insurance, appointed by the Public Affairs Research Council of
16 Louisiana.

17 (13) The attorney general, or his designee.

18 BE IT FURTHER RESOLVED that task force members shall serve without
19 compensation or reimbursement of expenses other than what may be afforded by their
20 appointing authorities, and legislative members of the task force shall receive the same per
21 diem and reimbursement of travel expenses as provided for attendance at legislative
22 committee meetings under the rules of the respective house in which they serve.

23 BE IT FURTHER RESOLVED that the names of the appointees to the task force
24 shall be submitted to the president of the Senate by August 14, 2020.

25 BE IT FURTHER RESOLVED that a majority of the membership of the task force
26 constitutes a quorum and that if all task force members have not been appointed by
27 September 1, 2020, a majority of the appointed membership shall constitute a quorum until
28 additional appointments are made.

29 BE IT FURTHER RESOLVED that the senator designated as a cochairman shall
30 convene the first meeting of the task force no later than September 8, 2020.

1 BE IT FURTHER RESOLVED that the task force shall, by December 15, 2021,
 2 make recommendations to the House Committee on Insurance and Senate Committee on
 3 Insurance for legislation that may make affordable automobile insurance more widely
 4 available to Louisiana drivers.

5 BE IT FURTHER RESOLVED that the task force will terminate on
 6 December 31, 2021.

7 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the
 8 commissioner of insurance.

The original instrument was prepared by Carla S. Roberts. The following digest, which does not constitute a part of the legislative instrument, was prepared by Brandi Cannon.

DIGEST

SCR 28 Engrossed

2020 First Extraordinary Session

Jackson

Requests the Dept. of Insurance to do all of the following:

- (1) Study and report to the legislature on approaches taken by other southern states to reduce auto insurance premiums.
- (2) Advise the legislature as to the statistics related to insurance fraud compiled by the Louisiana Automobile Theft and Insurance Fraud Prevention Authority.
- (3) Advise and report on any steps taken and any progress made by the department to increase the number of automobile insurers offering auto insurance policies in Louisiana.

Creates the Task Force on Affordable Automobile Insurance to study the availability of affordable automobile insurance and to provide a forum for the Dept. of Insurance to present its findings to the legislature and to the public.

Provides that the task force will terminate on December 31, 2021.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original bill

1. Add the attorney general, or his designee, as a member of the task force.
2. Make technical changes.