

SENATE RESOLUTION NO. 26

BY SENATOR JACKSON

A RESOLUTION

To urge and request the commissioner of the Department of Insurance to report to the legislature how any savings attributable to certain tort reform legislation will be measured and tracked.

WHEREAS, Louisiana residents currently pay the second highest automobile insurance premiums in the country, and this statistic led to the filing of legislation with the goal of reducing automobile insurance rates through changes to the civil justice system; and

WHEREAS, pursuant to work of the legislatively created High Automobile Insurance Rate Task Force, the Report of the Actuarial Subcommittee was issued in February 2019 and was authored by actuaries for the Department of Insurance, State Farm Mutual Auto Insurance Company, Government Employees Insurance Company, Allstate Insurance Company, and Liberty Mutual Insurance Company; and

WHEREAS, numerous bills and resolutions seeking to reduce insurance premiums were filed during the 2020 First Extraordinary Session of the Legislature; and

WHEREAS, it is very important for the legislature to know if there are any reduction to automobile insurance rates for the residents of Louisiana, attributable to legislation in the 2020 First Extraordinary Session of the Legislature, including but not limited to House Bills 44, 55, 57, and 66; House Concurrent Resolutions 18, 19, and 20; Senate Bills 9 and 14; and Senate Concurrent Resolution 14.

THEREFORE, BE IT RESOLVED that the Senate of the Legislature of Louisiana does hereby urge and request the commissioner of insurance to report to the Senate Committee on Insurance by October 1, 2020, and every six months thereafter, whether and to what extent any reductions to automobile insurance rates for the residents of Louisiana have been realized and the methods employed to determine and track those savings.

BE IT FURTHER RESOLVED that, additionally, each report shall include any premium reduction or increase that is attributable to COVID-19, changes in driving habits, or any other reason.

BE IT FURTHER RESOLVED that any report submitted after January 1, 2022, shall also define the rating methodology by which the Department of Insurance will calculate premium rates for automobile insurance that are on average at least ten percent lower than the rates in effect on January 1, 2021, and whether the calculation is by a weighted average of market share, whether the premium rate means the base rate applied to all drivers or the average premium charged to customers, whether the premium rate is limited to only the cost of minimum limits of liability or includes other limits, and whether any applied rating methodology changes premium rates for some drivers but not others in order to reach an average of ten percent lower rates than the rates in effect on January 1, 2021.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the commissioner of the Department of Insurance.

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PRESIDENT OF THE SENATE