

SENATE CONCURRENT RESOLUTION NO. 28

BY SENATOR JACKSON AND REPRESENTATIVES ADAMS, BROWN, BRYANT, CARRIER, GARY CARTER, WILFORD CARTER, GREEN, JEFFERSON, JENKINS, TRAVIS JOHNSON, JONES, LARVADAIN, LYONS, MOORE, NEWELL, PIERRE, THOMPSON AND WHITE

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

WHEREAS, Arkansas requires auto insurers to offer mandatory discounts, such as

a discount for college graduates and defensive driver discounts for those insureds fifty-five years and older who have successfully completed a course approved by the Arkansas Office of Driver Services; and

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

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

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

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

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

WHEREAS, considering that increased competition among auto insurance companies in Louisiana should lower rates, the legislature would be further assisted by the department advising and reporting on any steps taken and any progress made to increase the number of automobile insurers offering auto insurance policies in Louisiana; and

WHEREAS, it would assist Louisiana residents in lowering their individual

automobile insurance rates for the department to link or attach prominently to the department's website a document similar to the "Nine Ways to Lower Your Auto Insurance Costs" by the Insurance Information Institute; and

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

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby urge and request the Department of Insurance to study and report to the legislature on approaches taken by other southern states to reduce auto insurance premiums, to report the statistics related to insurance fraud compiled by the Louisiana Automobile Theft and Insurance Fraud Prevention Authority, and to 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.

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

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

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

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

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

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

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

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

(7) Five members, one to be appointed by each of the five insurance companies with

the greatest number of automobile insurance policies written in Louisiana during the last calendar year, as reported by the Department of Insurance.

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

(9) The governor, or his designee.

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

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

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

(13) The attorney general, or his designee.

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

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

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

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

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

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ENROLLED

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

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

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES