

SENATE CONCURRENT RESOLUTION NO. 19

BY SENATOR TALBOT AND REPRESENTATIVES GAROFALO AND KNOX

A CONCURRENT RESOLUTION

To create the Task Force on Available and Affordable Commercial Motor Vehicle Insurance to study and report on the impediments to obtaining affordable commercial motor vehicle insurance in Louisiana, the approaches taken by other states to reduce commercial motor vehicle insurance premiums, and to provide recommendations to the legislature on methods for increasing the availability and affordability of commercial motor vehicle insurance in Louisiana.

WHEREAS, according to the American Transportation Research Institute, for four years nationwide, the affordability and availability of commercial motor vehicle insurance has been a top issue in truck transportation; and

WHEREAS, Louisiana ranks as the second most expensive state for commercial motor vehicle insurance in the nation; and

WHEREAS, Louisiana trucking companies and owner-operators continue to struggle to pay for commercial motor vehicle insurance; and

WHEREAS, Louisiana pays up to four times more than other states for commercial motor vehicle insurance; and

WHEREAS, small fleets in Louisiana, which consist of more than ninety-four percent of all commercial trucking companies, pay up to four times more for commercial motor vehicle insurance; and

WHEREAS, the situation has deteriorated to an extent where the vast majority of commercial motor vehicle insurance companies refuse to write policies in Louisiana, further exacerbating issues related to affordability and availability; and

WHEREAS, the lack of competition negatively affects commercial motor vehicle insurance rates and potentially negatively affects the number of trucking companies registered in Louisiana; and

WHEREAS, decreased registered trucking companies in Louisiana may result in

increased costs of consumer goods and render Louisiana less economically competitive; and

WHEREAS, reducing the amount of revenue collected from various sources, including corporate income taxes, gasoline tax, motor vehicles sales tax, titling fees, and automobile plate fees, increases the potential for a negative economic impact on the state of Louisiana; and

WHEREAS, other states, including Texas, Iowa, and Florida, have recently acted to considerably lower commercial motor vehicle insurance rates and therefore provide more economically competitive options to commercial motor vehicle carriers; and

WHEREAS, alternative insurance options have proven effective in similar circumstances and in other states; and

WHEREAS, the legislature desires to form a task force to study available and affordable commercial motor vehicle insurance and to provide a forum to present its findings; and

WHEREAS, considering that increased competition among commercial motor vehicle insurance companies in Louisiana should lower rates, the legislature would be further assisted by recommendations on methods to increase the number of commercial motor vehicle insurers offering commercial motor vehicle insurance policies in Louisiana; and

WHEREAS, considering that Louisiana generates revenue from commercial motor vehicles registered in the state, the legislature would be additionally assisted by quantification of tax revenue per commercial vehicle unit and per trucking company to assess monetary impact.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby establish and provide for the Task Force on Available and Affordable Commercial Motor Vehicle Insurance to study, review, and report on the following:

(1) Impediments to obtaining affordable commercial motor vehicle insurance in Louisiana.

(2) Approaches taken by other states to reduce commercial motor vehicle insurance premiums.

(3) Economic impact of commercial motor vehicle insurance affordability on state

revenue.

(4) The structure and regulation of commercial motor vehicle companies and drivers in this state.

(5) The safety records of commercial motor vehicle companies in this state.

(6) The qualifications of commercial motor vehicle drivers in this state including but not limited to the ability to take verbal tests in Louisiana.

BE IT FURTHER RESOLVED that the task force should include consideration of recommendations, together with specific proposals for legislation on methods for increasing the number of commercial motor vehicle insurers offering commercial motor vehicle insurance policies in Louisiana and the affordability of commercial motor vehicle insurance premiums, by written report to the legislature and to the David R. Poynter Legislative Research Library as required by R.S. 24:771 and 772, no later than March 1, 2024.

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

(1) The commissioner of insurance or his designee who shall serve as chairman.

(2) The chairman of the Senate Committee on Insurance or his designee.

(3) The chairman of the House Committee on Insurance or his designee.

(4) The governor of the state of Louisiana or his designee.

(5) The chief executive officer of the Consumer Federation of America or his designee.

(6) The chairman of the Louisiana Property and Casualty Insurance Commission or his designee.

(7) The president of the Independent Insurance Agents & Brokers of Louisiana or his designee.

(8) The president of the Professional Insurance Agents of Louisiana or his designee.

(9) A chairman of the Louisiana Association for Justice or his designee.

(10) The executive director of the Louisiana Coalition for Common Sense.

(11) The chief executive officer of Louisiana Farm Bureau Insurance or his designee.

(12) The chairman of the American Property Casualty Insurance Association (APCIA) or his designee.

(13) The chairman of the Louisiana Motor Transport Association or his designee.

(14) A representative of the Louisiana Loggers Association.

(15) The chairman of the National Association of Mutual Insurance Companies (NAMIC) or his designee.

(16) The secretary of the Department of Public Safety and Corrections or his designee.

(17) The secretary of the Department of Transportation and Development or his designee.

BE IT FURTHER RESOLVED, that any designee organization that qualifies as or holds itself out as a nonprofit organization must have timely and fully complied with all United States Internal Revenue Service filing requirements in order to participate in task force proceedings.

BE IT FURTHER RESOLVED that the names of the members designated by this Resolution be submitted to the commissioner of insurance no later than June 30, 2023.

BE IT FURTHER RESOLVED that a vacancy in the membership shall be filled in the same manner as the original appointment.

BE IT FURTHER RESOLVED that the members of the task force shall serve without compensation, except per diem or expenses reimbursement to which they may be individually entitled as members of their constituent organizations.

BE IT FURTHER RESOLVED that a majority of the task force shall constitute a quorum for the transaction of business and all official actions of the task force shall require the affirmative vote of a majority of the quorum.

BE IT FURTHER RESOLVED that the commissioner of insurance shall call the first meeting of the task force, which shall be held no later than July 31, 2023, at which time the task force shall select a vice chairman and other officers deemed necessary from among its membership, and shall adopt rules of procedure and any additional measures that the task force deems necessary for the timely performance of its duties.

BE IT FURTHER RESOLVED that the commissioner of insurance shall designate staff from the Department of Insurance to assist the task force in the performance of its duties.

BE IT FURTHER RESOLVED that the task force shall be domiciled in Baton Rouge but may hold meetings elsewhere in the state.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the Louisiana Department of Insurance, the governor of the state of Louisiana, the Consumer Federation of America, the Louisiana Property and Casualty Insurance Commission, the Independent Insurance Agents & Brokers of Louisiana, the Professional Insurance Agents of Louisiana, the Louisiana Association for Justice, the Louisiana Coalition for Common Sense, Louisiana Farm Bureau Insurance, the American Property Casualty Insurance Association, the Louisiana Motor Transport Association, the Louisiana Loggers Association, the National Association of Mutual Insurance Companies, the Department of Public Safety and Corrections, and the Department of Transportation and Development.

---

PRESIDENT OF THE SENATE

---

SPEAKER OF THE HOUSE OF REPRESENTATIVES