

2019 Regular Session

SENATE BILL NO. 212

BY SENATOR APPEL

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

AUTOMOBILE INSURANCE. Requires insurers to report certain commercial vehicle information. (8/1/19)

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AN ACT

To amend and reenact R.S. 44:4.1(B)(11) and 4.1(B)(11) as amended by Section 2 of Act 371 of the 2018 Regular Session and to enact R.S. 22:1290.1, relative to commercial automobile insurance; to require automobile insurers to submit annual data to the commissioner of insurance; to provide for aggregation and public posting of the data; to provide for a sunset date; to provide for confidentiality; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1290.1 is hereby enacted to read as follows:

§1290.1. Commercial automobile insurance losses; annual reporting; publication of data; penalties

A.(1) Beginning on January 1, 2020, each insurance company authorized to write automobile insurance in this state shall submit to the commissioner, on or before May first of each year, the following information for the prior calendar year:

(a) The total amount of direct paid losses less all deductibles on claims involving commercial motor vehicles.

1 **(b) The number of commercial motor vehicle policies written.**

2 **(c) The direct written premiums for insuring commercial motor vehicles.**

3 **(2) As used in this Section, "commercial motor vehicle" has the meaning**
4 **defined in R.S. 32:401.**

5 **(3) The insurance company shall report the computations to the**
6 **commissioner by federal Zone Improvement Plan (ZIP) code and parish. The**
7 **information received by the commissioner shall be aggregated across all**
8 **insurance companies collectively, and the aggregated totals shall be arranged**
9 **by ZIP code and parish.**

10 **(4) The commissioner shall compile and publish on the department's**
11 **website by June first annually the aggregated total of the data provided for the**
12 **prior calendar year as required by Paragraph (1) of this Subsection by ZIP code**
13 **and parish.**

14 **(5) The commissioner shall post a link to the data aggregated pursuant**
15 **to the provisions of this Section on the department's website in a prominent**
16 **position on the website's home page.**

17 **B. The commissioner shall post on the department's website a general**
18 **description of the ratemaking methodology that the commissioner permits**
19 **insurance companies to use in establishing automobile insurance rates for**
20 **commercial motor vehicles.**

21 **C.(1) Upon written request of an insurance company, the commissioner**
22 **may, for good cause shown, modify or extend for an additional time period the**
23 **reporting requirements of this Section. Any modification or extension granted**
24 **by the commissioner shall be noted on the department's website, along with a**
25 **projected date of compliance. Good cause may include but is not limited to**
26 **either of the following:**

27 **(a) The insurance company's limited percentage of the total automobile**
28 **insurance market in this state.**

29 **(b) The undue burden of compiling and reporting the information**

1 required by this Section due to the manner, format, or method in which the
2 insurance company has stored the information required.

3 (2) Any insurance company that fails to timely comply with the reporting
4 requirements of this Section shall be given notice by the commissioner of the
5 failure and provided thirty days to comply. Any insurance company that fails
6 to comply on or before the thirtieth day, unless the compliance period is
7 modified or extended by the commissioner, shall be fined ten thousand dollars
8 per month by the commissioner until the date of compliance. These fines shall
9 not be waived or reduced except by an Act of the legislature.

10 (3) The commissioner shall waive or modify the reporting requirements
11 of this Section if any of the following apply:

12 (a) The company does not store the information required.

13 (b) The company must materially upgrade, modify, re-devise, or
14 reprogram computer systems to provide the information required.

15 (c) The company is required to significantly divert limited resources to
16 provide the information required.

17 D. Any information reported to the commissioner pursuant to this
18 Section shall be treated as confidential. Use of the information is limited to the
19 purposes authorized in this Section. The information submitted by each insurer
20 pursuant to this Section shall be exempt from the Public Records Law, R.S. 44:1
21 et seq.

22 E. Each report submitted by an insurance company pursuant to this
23 Section shall include a notarized affidavit executed by an executive of that
24 company attesting to the validity of the information reported.

25 F. The commissioner may issue rules and regulations as may be
26 necessary or proper to carry out the provisions of this Section. The rules and
27 regulations shall be promulgated and adopted in accordance with the
28 Administrative Procedure Act, R.S. 49:950 et seq.

29 G. Creditor-placed automobile insurance is excluded from the

1 **requirements of this Section.**

2 **H. The provisions of this Section shall be void on May 1, 2025.**

3 Section 2. R.S. 44:4.1(B)(11) is hereby amended and reenacted to read as follows:

4 §4.1. Exceptions

5 * * *

6 B. The legislature further recognizes that there exist exceptions, exemptions,
7 and limitations to the laws pertaining to public records throughout the revised
8 statutes and codes of this state. Therefore, the following exceptions, exemptions, and
9 limitations are hereby continued in effect by incorporation into this Chapter by
10 citation:

11 * * *

12 (11) R.S. 22:2, 14, 31, 42.1, 88, 244, 263, 265, 461, 550.7, 571, 572, 572.1,
13 574, 618, 639, 691.4, 691.5, 691.6, 691.7, 691.8, 691.9, 691.9.1, 691.10, 691.38,
14 691.56, 732, 752, 753, 771, 834, 972(D), 976, 1008, 1019.2, 1203, **1290.1**, 1460,
15 1464, 1466, 1488, 1546, 1559, 1566(D), 1644, 1656, 1723, 1796, 1801, 1808.3,
16 1927, 1929, 1983, 1984, 2036, 2045, 2056, 2085, 2091, 2293, 2303

17 * * *

18 Section 3. R.S. 44:4.1(B)(11) as amended by Section 2 of Act 371 of the 2018
19 Regular Session is hereby amended and reenacted to read as follows:

20 §4.1. Exceptions

21 A.

22 * * *

23 B. The legislature further recognizes that there exist exceptions, exemptions,
24 and limitations to the laws pertaining to public records throughout the revised
25 statutes and codes of this state. Therefore, the following exceptions, exemptions, and
26 limitations are hereby continued in effect by incorporation into this Chapter by
27 citation:

28 * * *

29 (11) R.S. 22:2, 14, 31, 42.1, 88, 244, 263, 265, 461, 550.7, 571, 572, 572.1,

1 574, 618, 639, 691.4, 691.5, 691.6, 691.7, 691.8, 691.9, 691.9.1, 691.10, 691.38,
 2 691.56, 732, 752, 753, 771, 834, 972(D), 976, 1008, 1019.2, 1203, **1290.1**, 1460,
 3 1464, 1466, 1488, 1546, 1559, 1566(D), 1644, 1656, 1657.1, 1723, 1796, 1801,
 4 1808.3, 1927, 1929, 1983, 1984, 2036, 2045, 2056, 2085, 2091, 2293, 2303

5 * * *

6 Section 4. The provisions of Section 3 of this Act shall become effective on
 7 January 1, 2020.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by LG Sullivan.

DIGEST

SB 212 Engrossed

2019 Regular Session

Appel

Proposed law requires each auto insurance company to submit information regarding commercial motor vehicles to the commissioner each year by May first for the prior calendar year, beginning in 2020. Requires the commissioner to aggregate and publish the information by ZIP code and parish on the dept.'s website and to post a general description of the rate-making methodology used for commercial motor vehicles.

Proposed law provides that "commercial motor vehicle" means a motor vehicle or combination of motor vehicles used in commerce to transport passengers or property if the motor vehicle meets one of the following requirements:

- (1) Has a gross combination weight rating of more than 26,000 pounds inclusive of a towed unit with a gross vehicle weight rating of more than ten thousand pounds.
- (2) Has a gross vehicle weight rating of more than 26,000 pounds.
- (3) Is designed to transport 16 or more passengers, including the driver.
- (4) Is of any size and is used in the transportation of hazardous materials.

Proposed law specifies that the information shall include:

- (1) The total amount of direct paid losses less all deductibles.
- (2) The number of policies written.
- (3) The direct written premiums.

Proposed law allows the commissioner to authorize late submission. Requires the commissioner to notify a company that fails to report that the company has 30 days to come into compliance. Mandates a \$10,000-per-month fine for continued failure to comply. Provides that fines collected are deposited in the state general fund. Specifies that fines may be waived or reduced only by legislative act.

Requires the commissioner to waive or modify the reporting requirements of proposed law if an insurance company does not store the information; must make material changes to computer systems to provide the information; or must significantly divert limited resources to provide the information.

Proposed law requires the information reported pursuant to proposed law to be treated as confidential, to be used solely for the purposes authorized in proposed law, and to be exempt from the Public Records Law.

Proposed law excludes creditor-placed automobile insurance from the requirements of proposed law.

Proposed law provides that proposed law shall be void on May 1, 2025.

Effective August 1, 2019.

(Amends R.S. 44:4.1(B)(11) and 4.1(B)(11) as amended by Acts 2018, No. 371, §2; adds R.S. 22:1290.1)

Summary of Amendments Adopted by Senate

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

1. Makes technical corrections.