

2018 Second Extraordinary Session

HOUSE RESOLUTION NO. 41

BY REPRESENTATIVE NORTON

INSURANCE/AUTOMOBILE: Urges and requests the office of motor vehicles create a task force to study and report on the high automobile insurance rates in the state

1 A RESOLUTION

2 To urge and request the Department of Public Safety, office of motor vehicles, to assemble  
3 a task force to investigate the reasons for the high automobile insurance rates in  
4 Louisiana and submit a report with findings and recommendations to the House of  
5 Representatives and the Senate no later than March 1, 2019.

6 WHEREAS, the subject and availability of automobile insurance is of great interest  
7 and importance to the people and businesses of this state; and

8 WHEREAS, Louisiana is the second most expensive state for automobile insurance  
9 in the nation and the average automobile insurance annual premium in 2017 for a Louisiana  
10 resident was close to two thousand dollars; and

11 WHEREAS, in 2010, 2012, and 2013, Louisiana had the highest automobile  
12 insurance rates in the nation, but then dropped down to fourth place in subsequent years; and

13 WHEREAS, Louisiana is now back up to second place, with an average annual  
14 premium of one thousand nine hundred twenty-one dollars, which is forty-six percent higher  
15 than the national average; and

16 WHEREAS, last year double-digit premium increases for at least five insurers, the  
17 highest of which was almost twenty-two percent, were approved by the Department of  
18 Insurance and either took effect in late 2017 or will become effective in 2018; and

19 WHEREAS, forty percent of Louisiana drivers get by with the minimum allowable  
20 coverage and most cannot afford to buy a better option; and

1           WHEREAS, in the past two years, five companies have left the state due to the  
2 unprofitability of the automobile insurance industry in Louisiana; and

3           WHEREAS, major metropolitan areas, such as Shreveport, New Orleans, and Baton  
4 Rouge, have considerably higher automobile insurance rates than other less populated areas  
5 in the state; and

6           WHEREAS, in the past there have been several bills introduced in this legislature  
7 which sought to lower insurance rates by proposing various plans to either overhaul the  
8 entire automobile insurance system or to make specific changes in the current system.

9           THEREFORE, BE IT RESOLVED that the House of Representatives of the  
10 Legislature of Louisiana does hereby urge and request the Department of Public Safety,  
11 office of motor vehicles, to assemble a task force to investigate the reasons for the high  
12 automobile insurance rates in Louisiana.

13           BE IT FURTHER RESOLVED that the task force shall submit a report of its  
14 findings and recommendations including any proposed legislation to the House and Senate  
15 Committees on Transportation, Highways, and Public Works no later than March 1, 2019.

16           BE IT FURTHER RESOLVED that the task force shall study and address in the  
17 report required by this Resolution all of the following:

18           (1) The reasons forming the basis for Louisiana's status as the state with the second  
19 highest automobile insurance rates in the nation.

20           (2) The frequency of automobile insurance premium increases approved by the  
21 Department of Insurance in the last three years and the reasons why the increases were  
22 necessary.

23           (3) The reasons why certain areas in the state have significantly higher insurance  
24 rates as compared to other areas of the state.

25           BE IT FURTHER RESOLVED that the task force shall be composed of the  
26 following:

27           (1) The commissioner of the Department of Public Safety, office of motor vehicles,  
28 or his designee.

29           (2) Two state representatives, appointed by the Speaker of the House of  
30 Representatives.

1 (3) A representative from the Louisiana Highway Safety Commission.

2 (4) A representative from the office of the attorney general consumer protection  
3 section.

4 (5) A representative from the American Association of Retired Persons, otherwise  
5 known as AARP.

6 (6) A representative from the American Automobile Association, otherwise known  
7 as AAA.

8 (7) Two residents of the state of Louisiana, one from North Louisiana and one from  
9 South Louisiana, selected by the commissioner of the Department of Public Safety, office  
10 of motor vehicles, from a list of names submitted by the other members of this task force.

11 BE IT FURTHER RESOLVED that the task force is assigned to the Department of  
12 Public Safety, office of motor vehicles, with staff support to be provided from existing  
13 personnel within the department.

14 BE IT FURTHER RESOLVED that, at the first meeting of the task force, the  
15 members shall elect a chairman, vice chairman, and other officers as the members deem  
16 appropriate.

17 BE IT FURTHER RESOLVED that nonlegislative members of the task force shall  
18 serve without compensation or reimbursement of expenses, other than that to which they  
19 may be individually entitled by their respective employer organizations. Legislative  
20 members of the task force shall receive the same per diem and reimbursement of travel  
21 expenses as is provided for legislative committee meetings pursuant to the rules of the  
22 respective house in which they serve.

23 BE IT FURTHER RESOLVED that the task force may conduct meetings at such  
24 places and at such times necessary or convenient to enable it to exercise fully and effectively  
25 its powers, perform its duties, and accomplish the objectives and purposes of this Resolution.

26 BE IT FURTHER RESOLVED that the legislative authority for the task force shall  
27 terminate on December 31, 2019.

28 BE IT FURTHER RESOLVED that the commissioner of the Department of Public  
29 Safety, office of motor vehicles, or his designee shall convene the task force for its first  
30 meeting no later than August 16, 2018.

1           BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the  
2 commissioner of the Department of Public Safety, office of motor vehicles.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HR 41 Original

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Norton

Requests the Dept. of Public Safety, office of motor vehicles, assemble a task force to investigate the high automobile insurance rates in La. and submit a report with findings and recommendations to the House of Representatives and the Senate by March 1, 2019.