

2026 Regular Session

SENATE RESOLUTION NO. 164

BY SENATOR CATHEY

AUTOMOBILE INSURANCE. Requests the Department of Insurance to study issues related to insurance coverage of motor vehicle damage claims, including steering and disputes regarding the adjustment of vehicle damages.

1 A RESOLUTION

2 To urge and request the Department of Insurance to study and make recommendations
3 regarding issues related to insurance coverage of motor vehicle damage repairs,
4 including the steering of insureds and claimants to preferred repair facilities and the
5 settlement of disputes regarding the adjustment of vehicle damage claims.

6 WHEREAS, R.S. 22:1892 governs the payment and adjustment of certain insurance
7 claims, including vehicle damage claims; and

8 WHEREAS, R.S. 22:1892(D) prohibits an insurer from requiring motor vehicle
9 repairs to be made in a particular place or shop or by a particular entity, a practice known
10 as "steering"; and

11 WHEREAS, pursuant to R.S. 22:1892(D), an insurer may recommend the use of a
12 particular motor vehicle service or network of repair services if the insurer informs the
13 insured or claimant that he is under no obligation to use the recommended repair service or
14 network of repair services, thus allowing insurers to steer insureds or claimants to preferred
15 repair facilities; and

16 WHEREAS, the Louisiana Insurance Code provides a framework for the mediation
17 of disputes over amounts owed by an insurer to an insured or claimant for certain policy
18 lines, but does not provide such a framework for the resolution of disputes regarding the

1 adjustment of motor vehicle damage claims that are less than a total loss; and

2 WHEREAS, motor vehicle repair facility owners testified to the Senate Committee
3 on Insurance on alleged violations of the provisions regarding steering; and

4 WHEREAS, additional testimony was provided by the motor vehicle repair facility
5 owners regarding their inability to properly contest an insurer's adjustment of a motor
6 vehicle damage claim and the repairs necessary to restore an insured's or claimant's motor
7 vehicle to proper working condition, resulting in additional time and expense to their
8 customers; and

9 WHEREAS, the Department of Insurance is the state regulator of the insurance
10 industry in Louisiana and serves as advocate for the state's insurance consumers; and

11 WHEREAS, practices related to unfair claims settlement, consumer coercion,
12 misrepresentation, or anti-competitive conduct may undermine consumer choice, negatively
13 affect competition among independently owned repair businesses, and potentially result in
14 repairs that prioritize insurer cost savings over vehicle safety, quality, and
15 manufacturer-recommended repair procedures, and it is vital that the potential for violations
16 of the Louisiana Insurance Code be thoroughly examined by the Department of Insurance
17 to ensure compliance with state law; and

18 WHEREAS, a comprehensive study by the Louisiana Department of Insurance would
19 assist the legislature in determining the extent of insurer steering practices, identifying any
20 gaps in the department's enforcement authority, and evaluating whether additional consumer
21 protections or statutory reforms are necessary.

22 THEREFORE, BE IT RESOLVED that the Senate of the Legislature of Louisiana
23 does hereby urge and request the Department of Insurance to study and make
24 recommendations regarding issues related to insurance coverage of motor vehicle damage
25 repairs, including the steering of insureds and claimants to preferred repair facilities and the
26 settlement of disputes regarding the adjustment of vehicle damage claims.

27 BE IT FURTHER RESOLVED, the department shall also study and make
28 recommendations regarding the feasibility, desirability, and practicality of enacting a
29 statutory dispute resolution procedure to resolve disputes between an insurance provider and
30 a motor vehicle repair facility over the repairs necessary to restore a customer's motor

