

# **Louisiana Property and Casualty Insurance Commission Full Commission Meeting**

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**Wednesday, March 4, 2015  
Louisiana Department of Insurance  
Plaza Hearing Room  
1:30 p.m.**

## **Minutes**

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**Commission Members Present:** Commissioner Donelon, Lou Fey, Jeff Albright, Senator Morrish, Representative Kirk Talbot, Ray Aleman, Jr., Lee Ann Alexander, J. E. Brignac, Jr., Stephen Campbell, Major Beckendorf (representing Sheriff Greg Champagne) Will Grubbs, Jr., Michael Guy, Chris Haik, Ron Henderson, Scott Landry, Ann Metrailler, Robert Moorman and Patrick Robinson.

**Commission Members Absent:** Senator Ronnie Johns, Representative Greg Cromer, Paul Buffone, LTC. John LeBlanc, Frank Opelka and Earl Taylor.

**Commission Staff Present:** Terrell Moss and David Evans.

**LDI Staff Present:** Denise Brignac, Warren Byrd, Ileana Ledet, Patrick Bell, Charles Hansberry, Darie Jordan and Craig Gardner.

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The Louisiana Property and Casualty Insurance Commission (LPCIC) meeting was called to order at 1:42 p.m. by Chairman Lou Fey.

Mr. Evans called the roll and reported a quorum present.

Mr. Fey welcomed the commission members and all in attendance. Mr. Patrick Robinson, representing the Office of Workers' Compensation- LA Workforce Commission, was introduced as a new member. A special recognition was given to Mr. Richie Clements, who was in the audience. Mr. Clements is the national president of the National Association of Professional Insurance Agents (PIA) and a past member of the LPCIC serving as vice president.

The subject of the commission meeting was to discuss and vote on a list of recommendations to include in the annual report of the LPCIC to the Governor, Legislature and the Commissioner of Insurance.

Mr. Fey introduced each recommendation in numerical order and called for discussion:

1. Extend the exemption of the 10 percent surcharge to the Citizens' policyholders in the designated coastal parishes.

Discussion ensued. Several points were brought up by Senator Morrish and Commissioner Donelon.

- a. Citizens' rating schedule and resubmitting of rates to the Department of Insurance
- b. Soft market/no large increases in rates
- c. Matter of fairness
- d. Ten percent add-on to protect state from being insurer of choice
- e. Ten years since Hurricane Katrina

The discussion leaned towards letting Act 632 sunset.

The chair rephrased the recommendation to:

- 1. Allow the sunset of the 10 percent surcharge to the Citizens policyholders in the designated coastal parishes.**

The motion was made by Mr. Albright.

A second was made by Ms. Alexander.

Vote: Unanimous

- 2. Ban the manual use of all electronic devices not permanently installed in a vehicle by the operator of the vehicle, while the vehicle is in motion.**

Discussion followed.

Comments received by Mr. Brignac regarding enforcement. Questions for clarification by Senator Morrish and Representative Talbot.

Comments on municipal ban in Austin, TX by Ms. Alexander and offered tracking of the information to be forwarded to Ms. Moss.

A motion was made by Mr. Grubbs to recommend.

A second was made by Ms. Alexander.

Vote: all in accordance with the exception of one opposed- Mr. Robinson.

- 3. Increase Seat Belt Fines.**

Discussion followed.

Questions were asked by Mr. Brignac regarding non-compliant ages and amount of increase.

A motion was made by Mr. Brignac to recommend.

A second was made by Mr. Haik.

Vote: Unanimous

- 4. Provide legislation for the regulation of transportation network companies in regards to appropriate liability insurance coverage.**

Discussion followed.

The Commissioner stated that ranking of coverage and liability should be statewide with other issues local. Had met with representative of Uber and others, along with the New Orleans City Council this morning.

Participating in the discussion were: Senator Morrish, Mr. Fey, Ms. Alexander and Mr. Brignac.

A motion to recommend was made by Mr. Albright.

A second was made by Senator Morrish.

Vote: Unanimous

- 5. Lower the civil jury trial threshold from \$50,000, or Lower the civil jury trial threshold in conjunction with raising the prescriptive period, or**

**Lower the civil jury trial threshold in increments over a period of years.**

Discussion followed.

Senator Morrish's points:

- a. Dealt with by Civil Law not Insurance Committees of Legislature
- b. His reasonable five year phase in with 2 year prescription period failed last session
- c. His district's point of view: 2 parishes with a single judge, only 4,500 jurors to choose from, and more legacy lawsuits in those parishes
- d. Opposition: single district judges, police juries and district attorneys
- e. Trial bar never has to oppose because of strong opposition from the three mentioned above
- f. Does think it probably affects insurance rates, but there is a need to bring all parties together beforehand to discuss

Comments received from Mr. Brignac, Mr. Robinson, Mr. Grubbs, Ms. Alexander and Mr. Fey.

Commissioner's points:

- a. When lobbying for reform in order to do any good for auto, must lower to \$10,000
- b. BI at \$15,000
- c. Need threshold below to realize desired effect.

Mr. Grubbs' points:

- a. \$10K threshold will clog courts
- b. Direct Action would make a bigger difference

Ms. Alexander's points:

- a. So many interlocking issues in LA
- b. Direct action, collateral source, jury threshold and litigation financing
- c. No simple solution

A motion was made by Representative Talbot to support any effort to lower the jury trial threshold.

The motion was seconded by Ms. Alexander

Vote: Unanimous.

There were no public comments from the audience.

Therefore, upon a motion from Senator Morrish and a second from Ms. Alexander, the LPCIC meeting adjourned at 2:40 p.m.