DIRECTIVE 34-R

TO: ALL AUTHORIZED INSURERS IN THE STATE OF LOUISIANA AND INTERESTED PARTIES

FROM: JAMES J. DONELON, COMMISSIONER OF INSURANCE

RE: SALVAGE ON PAID LOSSES (RESCISSION OF DIRECTIVE 34)

DATE: AUGUST 4, 2020

All authorized insurers in the State of Louisiana and interested parties are hereby given notice that Directive 34, issued on April 1, 1976, is hereby rescinded.

The aforementioned and rescinded Directive 34 advised all insurance companies required to submit an annual statement to the Louisiana Department of Insurance ("LDI") on the Convention Forms prescribed for Fire and Marine and Miscellaneous Companies, that they were not to include any property as an item of salvage recoverable in such annual statement without first having obtained the written consent of the LDI. Directive 34 further advised that salvage reduced to cash was to be accounted for as an offset to losses paid in accordance with existing practices. Any question as to how to account for salvage losses is now addressed in the NAIC's Accounting Practices and Procedures Manual, and Directive 34 is no longer necessary.

Baton Rouge, Louisiana, this 4th day of August, 2020.

[Signature]
JAMES J. DONELON
COMMISSIONER OF INSURANCE