



LOUISIANA DEPARTMENT OF INSURANCE
JAMES J. DONELON
COMMISSIONER

ADVISORY LETTER 2019-04

TO: ALL AUTHORIZED INSURERS WRITING COMMERCIAL AUTOMOBILE INSURANCE

FROM: JAMES J. DONELON, COMMISSIONER OF INSURANCE

RE: ACT NO. 262 OF THE 2019 REGULAR SESSION OF THE LOUISIANA LEGISLATURE

DATE: SEPTEMBER 24, 2019

Please be advised that Act No. 262 of the 2019 Regular Session of the Louisiana Legislature ("Act 262") enacted La. R.S. 22:1290.1 relative to authorized insurers writing commercial automobile insurance (hereinafter "commercial automobile insurers") in Louisiana. Specifically, Act 262 established requirements for the annual reporting of data regarding commercial motor vehicles as defined in La. R.S. 32:401(6). Act 262 requires that commercial automobile insurers must provide data to the Louisiana Department of Insurance ("LDI") beginning January 1, 2020.

The purpose of Advisory Letter 2019-04 is to provide guidance with respect to the form and procedure that commercial automobile insurers shall use to submit the data required by Act 262 to the LDI. The entire text of Act 262 can be found on the Louisiana Legislature's website.

Applicability

The provisions of Act 262 are applicable to all commercial automobile insurers authorized to write vehicle insurance in the state of Louisiana. The reporting requirements of Act 262 are limited to those commercial motor vehicles that are defined in La. R.S. 32:401(6). For purposes of Act 262, commercial automobile insurers need to report the required data covering vehicles that meet one or more of the following criteria:

- have a gross combination weight rating of 26,001 or more pounds; or
- have a gross vehicle weight rating of 26,001 or more pounds; or
- are designed to transport 16 or more passengers, including the driver; or
- are used in the transportation of materials found to be hazardous under the provision of the Hazardous Materials Transportation Act which requires the motor vehicle to bear a placard pursuant to the Hazardous Materials Regulations (CFR 49 Part 172, Subpart F).

The provisions of Act 262 do not apply to creditor-placed commercial automobile insurance, reinsurance, or surplus lines insurance.

Required Data to Report

Pursuant to Act 262, commercial automobile insurers must submit the following data for applicable commercial motor vehicles as defined by La. R.S. 32:401(6) on or before May 1, 2020 for calendar year 2019. Such data shall be submitted on or before May 1 of each calendar year thereafter:

1. Total amount of direct paid losses less all deductibles on claims involving commercial motor vehicles.
2. Number of commercial motor vehicle policies written.
3. Direct written premiums for insuring commercial motor vehicles.

This data must be reported by zip code and parish.

Electronic Reporting

Data reported pursuant to Act 262 shall be submitted electronically via the Act 262 module by utilizing the LDI's Industry Access Portal. An authorized user must be designated for the Act 262 module by the commercial automobile insurer's Industry Access Portal administrator before data can be uploaded to the Act 262 module. The commercial automobile insurer shall submit the data to the LDI in the same format as found in the sample Excel® workbook available in the Act 262 module.

The commercial automobile insurer's designation of an authorized user for the Act 262 module can be performed beginning on or before December 31, 2019. The Act 262 module will become available to upload data on or before January 1, 2020. Commercial automobile insurers should monitor the LDI's website for information on when the Act 262 module is available for data uploads.

Importing Data into the Act 262 Module

To import data into the Act 262 module, commercial automobile insurers must access the LDI's Industry Access Portal. The LDI's Industry Access Portal can be accessed by following these instructions:

1. Use the following link: <https://ia.lidi.state.la.us/IndustryAccess/>
2. For a step-by-step guide on signing up, follow this link to the Industry Access Portal Help Manual: <https://ia.lidi.state.la.us/IndustryAccess/IndustryAccessUserManual.pdf>
3. For a first-time user only, after creating and verifying your account, log in and request access for your commercial automobile insurer. The above Help Manual includes

information on how the request process works. Note that the authorization of a user to access the Act 262 module may take up to 24 hours to become active. For active users, the authorized Act 262 module user should log in to the LDI's Industry Access Portal.

4. Navigate to the "Modules" link and select the "Act 262" module. A new window will open and the Act 262 web application will load in your browser.
5. Use the help icons (the square blue buttons with the question mark) to get specific screen help information on using the Act 262 module. Upload your data.

Notarized Affidavit

Each report submitted by a commercial automobile insurer shall include a notarized affidavit executed by an executive attesting to the validity of the data reported. The affidavit shall be submitted through the LDI's Industry Access Portal, Act 262 module.

Confidentiality

Any data reported to the Commissioner as required by Act 262 shall be confidential pursuant to La. R.S. 22:1290.1(D) and exempt from the public records law pursuant to La. R.S. 44:4.1(B)(11). The LDI's use of such data shall be limited solely to the purposes authorized under Act 262.

Waivers/Modifications/Extensions

Act 262 grants the Commissioner the authority to modify or extend the reporting requirements of Act 262 for "good cause" upon a written request by a commercial automobile insurer. "Good cause" may include, but is not limited to, the following:

1. The commercial automobile insurer's limited percentage of the total automobile insurance market in this state.
2. The undue burden of compiling and reporting the data required by Act 262 due to the manner, format, or method in which the commercial automobile insurer has stored the data required.

The Commissioner shall waive or modify the reporting requirements of Act 262 if, upon written request by a commercial automobile insurer, any of the following apply:

1. The commercial automobile insurer does not store the information required.
2. The commercial automobile insurer is required to materially upgrade, modify, re-devise, or reprogram computer systems to provide the information required.

3. The commercial automobile insurer is required to significantly divert limited resources to provide the information required by Act 262.

Fines for Noncompliance

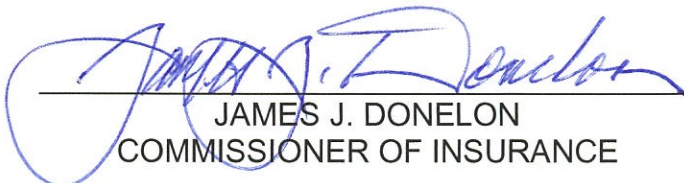
Any commercial automobile insurer that fails to timely comply with the reporting requirements of Act 262 shall be given notice by the Commissioner of such failure and provided thirty days to comply. Any commercial automobile insurer that fails to comply on or before the thirtieth day following said notice, unless the compliance period is modified or extended by the Commissioner, shall be fined ten thousand dollars (\$10,000) per month until the date of compliance. Pursuant to La. R.S. 22:1290.1(C)(2), this fine shall not be waived or reduced except by an Act of the Louisiana Legislature.

Important Dates

1. Commercial automobile insurers will be able to designate authorized users for the Act 262 module on or before December 31, 2019.
2. The Act 262 module will be available to upload data on or before January 1, 2020.
3. Commercial automobile insurers shall report data for calendar year 2019 on or before May 1, 2020. Data for calendar year 2020 and subsequent years must be reported on or before May 1 of the following year, e.g., calendar year 2020 data shall be reported by May 1, 2021, calendar year 2021 data shall be reported by May 1, 2022, etc.
4. The Commissioner shall annually compile and publish aggregated data on the LDI's website by June 1 of each year, beginning with the initial Act 262 data publication on June 1, 2020.
5. Unless extended by the legislature, reporting required by Act 262 shall be void on May 1, 2025. However, all data subject to reporting for the calendar year ending December 31, 2024 must still be reported on or before May 1, 2025.

For questions or clarifications regarding Advisory Letter 2019-04, please contact the Actuarial Division of the LDI at 225-342-4690 or electronically at Act262@ldi.la.gov.

Baton Rouge, Louisiana this 24th day of September, 2019.



JAMES J. DONELON
COMMISSIONER OF INSURANCE