Louisiana Department of Insurance

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Message from the Chairman

I am pleased to present the 2017-2018 Annual Report of the Louisiana Property and Casualty Insurance Commission (LPCIC). The members of the commission represent consumers, the insurance industry, agencies across state government, and law enforcement. Our goal is to improve the state’s insurance market by reviewing and examining issues affecting the availability and affordability of property and casualty insurance in the state of Louisiana.

Currently Louisiana has the second highest auto insurance rates in the nation (up from 4th last year). The average Louisiana auto premium per vehicle is $1,921 as compared to Maine, which has the lowest rates at $864. Louisiana auto rates are $603 higher than the national average (per car). The Louisiana auto insurance market is in crisis. Businesses are considering leaving the state, because they are unable to obtain or afford auto insurance. Some insurers are going so far as to refuse to offer automobile coverage for businesses operating in certain parishes.

While there are numerous reasons for our high insurance rates, right now there is an opportunity for you to take action and effect a real solution to a major part of the insurance and highway safety problem. In furtherance of that goal, the Professional Insurance Agents of Louisiana (PIA), through Representative Huval, is sponsoring Distracted Driving Legislation in the upcoming regular legislative session.

According to the National Highway Traffic Safety Administration (NHTSA), each year distracted driving related motor vehicle crashes kill over 3,331 people and injure over 387,000. That translates to approximately nine people killed and more than 1,000 injured daily in crashes reported to involve a distracted driver. Even with significant under reporting of the involvement of distracted driving, these numbers are staggering and hard to ignore. People are dying.

We have all been on the road when a driver ahead of us is driving erratically because he or she is on a cell phone. While vehicles are becoming safer with accident avoidance systems, accident rates are not decreasing, as one would normally expect with such technological advances. This is due to the increased use of, and the distractions caused by cellphones and other portable electronic devices while driving. The commission recommends banning the hand held manipulation of any portable electronic device by drivers while vehicles are in motion.

The commission also supports the encouragement and development of driverless vehicle technology in our state. Louisiana should follow Arizona and the cities of Atlanta and Pittsburgh by welcoming and encouraging the field-testing and development of the autonomous vehicle
industry. Louisiana should also ensure that the state’s regulatory regime is coordinated and updated to accommodate the latest developments in vehicle technology. With Louisiana’s auto insurance rates continuing to rank among the highest in the nation, this technology is a solution whose time is near. The commission is studying this technology and its impact on automobile insurance rates. Clearly, such technology will eventually make distracted driving a thing of the past.

The commission has had a productive year with presentations and discussions of the U.S. Surgeon General’s campaign to curb opioid misuse and abuse. The active ingredient in marijuana—THC—has been examined as one possible solution. With the marijuana industry adding millions in tax revenues to state coffers in states such as Colorado, Massachusetts, Maine, Nevada, Oregon, Washington, The District of Columbia, and now California, perhaps this is an area that requires further consideration. It could be a way to both curb opioid abuse and address state budgetary concerns all at once.

Louis G. Fey, Jr., CPCU, CIC, CRM, AIC
Membership and Staff

Members of the Louisiana Property and Casualty Insurance Commission as of January 31, 2018:

Louis G. Fey, Jr., Chairman
Professional Insurance Agents of Louisiana

Jeff Albright, Vice Chairman
Independent Insurance Agents & Brokers of Louisiana

The Honorable John Bel Edwards
Governor

The Honorable James J. Donelon
Commissioner of Insurance

The Honorable Kirk Talbot
House Insurance Committee Chair

The Honorable Dan Morrish
Senate Insurance Committee Member

The Honorable Mike Huval
House Insurance Committee Member

The Honorable Ronnie Johns
Senate Insurance Committee Member

Raymond Aleman, Jr.
Commissioner’s Appointee

Katara Williams Ph.D.
Louisiana Highway Safety Commission

Sheral Kellar
Louisiana Workforce Commission (OWCA Director)

The Honorable Karen St. Germain
Commissioner of Motor Vehicles

The Honorable Earl Taylor
Louisiana District Attorneys Association

The Honorable Gregory Champagne
Law Enforcement Representative (Sheriff of St. Charles)

Michael Guy
Attorney General’s Designee

Ron Henderson
Deputy Commissioner of Consumer Advocacy, LDI

Julius W. “Will” Grubbs, Jr.
Consumer Representative, Speaker of the House

Christopher S. Haik
Consumer Representative, President of the Senate

Marc Carter
LAFAC, Inc. Representative

Leslie Sallean
Louisiana Surplus Lines Association Representative

Sheral Kellar
Louisiana Workforce Commission (OWCA Director)

Noryn Ward
PCI Representative

Joe O’Connor
Property Insurance Association of Louisiana

Paul Buffone
LWCC Representative

Staff: Thomas D. Travis, Director
Ron Williams, Assistant Director
State of the Market: Quick Facts (as of December 31, 2017)

Automobile:
- The voluntary market remains competitive but challenging for both private passenger auto (PPA) and commercial auto (CA).
- There is little competition for some commercial trucking programs, e.g. logging.
- The Greater New Orleans and Baton Rouge areas continue to pay the highest rates.
- Market-wide insurance premium increase for 2017:
  - PPA—9.0% following 8.7% in 2016
  - CA—5.6% following 2.8% in 2016
- In 2015, Louisiana ranked highest in PPA combined average cost of insurance at $1,405 for liability and physical damage coverages according to the most recent NAIC data.

Homeowners:
- The voluntary market remains competitive after its re-establishment following 2005.
- Insurance market stabilized due to increased number of insurers.
- Twenty-eight (28) new insurers writing in Louisiana that were not here in 2005.
- Residual market share of Louisiana Citizens continues to decrease due to depopulation program and increased competition.
- Citizens’ market share for the homeowners’ market decreased from 9.8% to 0.5% since 2008, which is a 95% decrease in the homeowners’ market share since 2008. (Note: this market share is the homeowner line of business and does not include residents insured under fire or allied lines (e.g. wind only).
- Statewide average market-wide homeowner insurance premium increase of only 1.6% in 2017 following 0.8% in 2016.
- Louisiana ranked third in the average cost of homeowners’ insurance in 2015 at $1,945; Florida ranked first at $1,993; Texas ranked second at $1,991 according to the most recent NAIC data.
- Homeowners’ rates increases from 2007-2015 were at a slightly lower rate than the national average during that period.

Workers’ Compensation:
- Market remains competitive.
- Claim frequency decreased in recent years.
- Medical severity did not change significantly in recent years.
- Market-wide insurance premium decrease of 7.3% in 2017, which decreased across all industry groups, according to the most recent NCCI data.
- Statewide 0.4% increase in NCCI loss costs approved for 2018, the first increase in 5 years.
- Over the last 10 years, workers’ compensation loss costs have decreased by 27%.
- Over the last 20 years, workers’ compensation loss costs have decreased by 50%.
History and Purpose of the LPCIC

In 1997, the Louisiana Legislature created the Council on Automobile Insurance Rates and Enforcement (CAIRE) whose thorough studies of automobile insurance and enforcement issues led the legislature to expand CAIRE’s areas of study in 2001 to homeowners’ and workers’ compensation insurance and to name it the Louisiana Property and Casualty Insurance Commission (Act 187 of the 2001 Regular Session).

The primary purpose of the commission is “to review and examine the availability and affordability of property and casualty insurance in the state of Louisiana.”

Act 590 of the 2003 Regular Session amended the LPCIC membership, which then consisted of 22 members. A representative of law enforcement selected jointly by the superintendent of the Louisiana State Police, the secretary of the Department of Public Safety and Corrections, the president of the Louisiana Association of Chiefs of Police and the president of the Louisiana Sheriffs’ Association serves on the commission. The Act also added Representatives of two national trade organizations and one state organization to the membership.

Act 459 of the 2007 Regular Session abolished the Louisiana Insurance Rating Commission effective January 1, 2008, and provided an appointee for the commissioner of insurance.

Act 317 of the 2012 Regular Session provided for two additional members of the LPCIC—the deputy commissioner of insurance for consumer advocacy and a representative of the Louisiana Surplus Lines Association.

Act 223 of the 2014 Regular Session added another member—a representative of the National Association of Mutual Insurance Companies (NAMIC).

The LPCIC now consists of 24 members.
Review of Recommendations for 2017

1. Uniform Construction Code

_The LPCIC recommended that the legislature resist any efforts to weaken or diminish the current Louisiana State Uniform Construction Code and enact legislation to strengthen the Uniform Construction Code and its enforcement._

There were two bills in the Regular Session related to the Uniform Construction Code. HB 471 (Act 221) by Rep. Foil relative to modular housing and SB 68 by Senator Fannin relative to procedures for adopting updates to the Uniform Construction Code. SB 68 would have required an affirmative adoption of updates by concurrent resolution of the legislature.

2. Distracted Driving

_The LPCIC recommended that the legislature ban the manual use by the operator of a motor vehicle while in motion of all electronic devices not permanently installed in the vehicle._

There were no bills on distracted driving.

3. Civil Jury Threshold

_The LPCIC recommended that the legislature reduce the civil jury threshold._

There were no bills on the civil jury threshold.

4. Direct Action

_The LPCIC recommended that the legislature repeal the direct action statute or amend it to limit the instances for naming an insurer as a defendant to those where the insured is unable to be served with process._

There were no bills to change or repeal the direct action statute.

5. Opioid Abuse

_The LPCIC recommended that the legislature enact a requirement for the use of a closed pharmacy formulary in workers’ compensation claims._

There were two bills that proposed a closed pharmacy formulary in workers’ compensation—HB 529 by Rep. Broadwater and HB 592 by Rep. Talbot. HB 592 passed the House Labor and Industrial Relations Committee and the House. It advanced to the Senate near the end of the session and did not receive a hearing in the Senate committee.

There were two bills enacted into law to address the opioid issue. SB 55 (Act 76) by Sen. Mills strengthens the Prescription Monitoring Program. HB 192 (Act 82) by Rep. Moreno limits most initial prescriptions of opioids to a seven-day supply.
Review of Study Issues for 2017

1. Sharing Economy

There are no insurance issues to report on the subject of the sharing economy. The LPCIC will continue to monitor and study issues related to the sharing economy as part of its general, statutory charge to study issues related to the availability and affordability of insurance and its continuing study of technology and insurance.

2. Cybersecurity and Insurance

The recent U.S. Department of the Treasury report on Asset Management and Insurance outlined the Challenges in the Cyber Insurance Market: ¹

“As cyber risks have increased over the last two decades, the insurance industry has responded with a variety of insurance products. These products—loosely referred to as “cyber insurance”—cover risks arising “from the use of electronic data and its transmission, including technology tools such as the Internet and telecommunications networks,” as well as “physical damage that can be caused by cyber attacks, fraud committed by misuse of data, any liability arising from data storage, and the availability, integrity, and confidentiality of electronic information.” By providing a risk transfer mechanism, cyber insurance contributes to the financial resilience of policyholders that suffer a cybersecurity incident or attack. This is especially important given that the average cost of a data breach is $3.62 million. Cyber insurance policies may also provide access to pre- and post-breach resources to help policyholders reduce their vulnerability to, or recover from, such events.

“The cyber insurance market reached an estimated $3 to $4 billion in gross premiums in 2016, with the large majority of the demand historically (and presently) based in the United States. In comparison, the cyber insurance market was estimated to be approximately $2.75 billion in 2015 and $2 billion in 2014. Currently, approximately 100 insurers offer cyber insurance products. The market for cyber insurance is relatively concentrated, however, with the top 15 insurers comprising more than 80% of the market in 2016.

“Two related obstacles to the continued growth of the cyber insurance market are: (1) a lack of relevant data regarding evolving cyber risks, and (2) the threat of accumulation risk. At the center of these challenges is the difficulty in collecting and analyzing data regarding cyber risks. Industry representatives acknowledge that “the availability of data on cyber risk is scarce” and “even if historical data are available, the fast changing environment might render this data useless.” Thus, insurers may lack “the necessary inputs for creating a reliable cyber model” that would mirror the advanced modeling done for other types of catastrophic risk, such as hurricanes. Without the data to better assess exposure of individual policyholders to

cyber losses, insurers have difficulty appropriately understanding accumulation risk (i.e., the risk that a single cybersecurity incident causes losses to multiple policyholders across multiple lines of insurance). For example, insurers have difficulty analyzing the risk of multiple policyholders using the same software, hardware, or third-party service providers. An attack that targets such commonly used products or services could cause enormous losses, both insured and uninsured.”

(pp. 119-120) (Footnotes omitted).

3. Driverless Vehicles

The availability and affordability of adequate insurance coverage for the use of highly automated vehicles (HAV) and driverless vehicles is an issue facing policymakers and the insurance industry in the near future. Although the full deployment of the technology and its effect on business and society are not immediately upon us, the changes will affect markets for insurance in private and commercial auto lines and probably other lines like workers’ compensation and products liability. Jurisdictions beyond the United States are starting to address the insurance and other regulatory issues that arise with this new technology.

The commission received a presentation from Brad Nail, insurance policy manager for Uber, on HAV and driverless technologies. Mr. Nail began his presentation with a YouTube video—“Otto and Budweiser: First Shipment by Self-Driving Truck”—which showed a vehicle of an Uber trucking subsidiary operating on a Colorado highway in a driverless mode. Mr. Nail discussed Uber’s view of how the technology may change its business model and the structure of the transportation system: vehicle ownership patterns, driving habits, the natural and built environments, vehicle and traffic safety, and insurance. His presentation included a chart that explains the levels of autonomy in vehicle technology. (Appendix G).

4. Private Flood Insurance and NFIP Reauthorization

At the time of this report, Congress has not completed work on a reauthorization of the National Flood Insurance Program (NFIP). The NFIP is subject to temporary, short-term reauthorizations. It is possible that there may not be a long-term reauthorization in FY 2018.

Regardless of the short-term status of the NFIP in its current form, there are several proposals for reform of the NFIP and flood insurance in general. On November 14, 2017, the House passed HR 2874, 21st Century Flood Reform Act, which would reauthorize the NFIP through 2022 and which awaits Senate action. It includes provisions to facilitate state-regulated private flood insurance among other proposed changes to the NFIP.

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2 An informative, brief presentation on HAV and driverless technology is at www.adeptdriver.com/sav/.
3 The United Kingdom is considering legislation to address these issues in the Vehicle Technology and Aviation Bill (HC Bill 143) https://publications.parliament.uk/pa/bills/cbill/2016-2017/0143/cbill_2016-20170143_en_2.htm
4 Video is available at https://www.youtube.com/watch?v=Qb0Kzb3haK8
5. Federal Actions Affecting Insurance and Insurance Regulation

The LPCIC members and staff maintain an interest in federal actions that affect property and casualty insurance and of the state-based systems of insurance regulation and workers’ compensation. In a departure from past administrations of both parties, the current leadership of the Treasury Department supports of state-based regulation as indicated by the Treasury endorsement of the NAIC Data Security Model Law.

The recently enacted HR 1, Tax Cuts and Jobs Act, will have effects on the balance sheets of many insurers, who are still evaluating the law. The Tax Cuts and Jobs Act will have an effect on certain transactions involving affiliated alien reinsurance companies, which may reduce reinsurance capacity, raise reinsurance rates, or both, and possibly raise costs for consumers.

The Senate Commerce Committee approved the AV START Act, S 1885, which would provide for federal rules for the development and deployment of autonomous vehicles. The bill leaves in place state regulation of insurance issues.

The House Financial Services Committee approved HR 4537, International Insurance Standards Act of 2017, which would prohibit the federal government from agreeing to international standards inconsistent with the existing US system of insurance regulation.

There are various other bills introduced in Congress that affect insurance regulation, most will likely not advance from committee in the present congress.

6. Collateral Source Rule Issues

“Under the collateral source rule, a tortfeasor may not benefit, and an injured plaintiff’s tort recovery may not be reduced, because of monies received by the plaintiff from sources independent of the tortfeasor’s procuration or contribution.” Hoffman v. 21st Century North American Insurance Co. 5

Many states have some form of the collateral source rule, but most have limited it legislatively or jurisprudentially to address the current state of affairs where legal and conventional fee schedules more accurately reflect the amounts that health care providers accept pursuant to law or contract. An excellent discussion of this phenomenon is in Hospital Chargemaster Insanity, 6 a law review article that examines medical billing and its effects on the health care system at large. Although it is a component of rising health insurance costs, medical billing practices have major effects on the liability and workers’ compensation insurance systems as well. In the liability system, the inflation of damages creates an occasionally substantial windfall accruing to the personal injury plaintiff when the collateral source rule applies.

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5 Hoffman v. 21st Century North American Insurance Co., 14-2279 (La. 10/02/15), 209 So. 3d 702

6 George A. Nation III Hospital Chargemaster Insanity: Healing the Healers, 43 Pepp. L. Rev. 745 (2016)

Available at: http://digitalcommons.pepperdine.edu/plr/vol43/iss3/2
In *Bozeman*, the Louisiana Supreme Court refused to apply the collateral source rule to the difference between the billed charges and the Medicaid payment, reducing the plaintiff’s recovery by the $266,879.92 written off by health care providers. The court found that there was no diminution of the plaintiff’s patrimony, such as the payment of insurance premium, to obtain public assistance. In *Terrell*, the Louisiana second circuit refused to apply the collateral source rule and denied recovery to the plaintiff of a Medicaid write-off of $946,838. The court held that “It would be unconscionable to permit the taxpayers to bear the expense of providing free medical care to a person and then allow that person to recover damages for medical expenses from a tortfeasor and pocket the windfall.”

In *Lockett*, the Louisiana fifth circuit applied the collateral source rule to bill reductions negotiated by the plaintiff after she opted not to use her health insurance, finding that her efforts at negotiation were a diminution of her patrimony. The Louisiana Supreme Court refused to apply the collateral source rule where an attorney negotiated a reduced payment prior to settlement or judgment as in *Hoffman*, finding that the attorney’s efforts and apparent discount arrangements with certain providers were not a diminution of the plaintiff’s patrimony.

Louisiana’s courts are slowly shaping changes to the collateral source rule, but legislation would be a faster, fairer, and uniform way to limit its sometime excessive effects. The LPCIC staff developed a discussion draft of legislation to limit the collateral source rule and make it more accurately reflect the original intent and purpose. (Presentation at Appendix F).

7. **Punitive Damages for Distracted Driving**

The LPCIC staff did not find any laws specifically imposing punitive damages for distracted driving or any studies on the subject. Distracted driving in the era of smartphones, texting, and social media is still a relatively new area of law and research, so the staff will continue to monitor developments in this field as part of the commission’s study of distracted driving and automobile insurance issues.

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7 *Bozeman v. State*, 03–1016 (La.7/2/04), 879 So.2d 692
8 *Terrell v. Nanda*, 33,242 (La. App. 2 Cir. 05/10/00), 759 So. 2d 1026
9 *Lockett v. UV Ins. Risk Retention Grp., Inc.*, 15-166 (La. App. 5 Cir. 11/19/15), 180 So.3d 557
Recommendations for 2018

1. Uniform Construction Code

The commission received a presentation on *Mitigation Matters in Louisiana* from the Insurance Institute for Business and Home Safety (IBHS). The presentation reviewed the importance of strong building codes in mitigation and what successful mitigation looks like beyond just the physical and financial effects on property values and insurance costs. (Appendix D).

The Multihazard Mitigation Council recently published an interim report on mitigation. The report emphasizes the importance of building codes as the beginning of mitigation and presents some important findings on the value of mitigation. (NIBS Fact Sheets at Appendix D).

*The LPCIC recommends that the legislature resist any efforts to weaken or diminish the current Louisiana State Uniform Construction Code and enact legislation to strengthen the Uniform Construction Code and its enforcement.*

2. Distracted Driving

All forms of distracted and inattentive driving increase the risk of automobile accidents, which result in increased automobile insurance premiums. Cognitive demands of the use of hand-held devices narrow the field of vision and create distraction from the serious responsibilities of driving. Studies have shown that this type of distraction results in risk similar to driving with a .08 BAC and a four times greater chance of being in a traffic crash.

The PCI presentation and infographics at Appendix C illustrate how distracted driving contributes to rising automobile insurance rates. Attached at Appendix E is a discussion draft of legislative language to strengthen distracted driving laws.

*The LPCIC recommends that the legislature ban the manual use by the operator of a motor vehicle while in motion of all electronic devices not permanently installed in the vehicle.*

3. Civil Jury Threshold

There are 14 states with a civil jury trial threshold. Louisiana is the highest at $50,000. Maryland is a distant second at $15,000, followed by Rhode Island and Hawaii at $5,000. Thirty-six states have no threshold. In Louisiana, a judge alone hears lawsuits below the threshold, without the option of a jury trial. Restricted access to jury trials results in more lawsuits, fewer out-of-court settlements, and higher and more frequent plaintiff verdicts by trial judges.

The PCI presentation and infographics at Appendix C illustrate how far above the norm Louisiana’s jury trial threshold is at 233% higher than Maryland’s $15,000 threshold.

*The LPCIC recommends that the legislature reduce the civil jury threshold.*

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4. Direct Action

Louisiana remains the only state in the Union with a pure direct action statute. The result is that only in Louisiana may a plaintiff name an insurance company as a defendant in a lawsuit in addition to or sometimes in lieu of the insured. The exposure of the insurer as a defendant to the trial jury is a negative factor in efforts to reduce the cost of liability insurance in Louisiana.

The LPCIC recommends that the legislature repeal the direct action statute or amend it to limit the instances for naming an insurer as a defendant to those where the insured is unable to be served with process.

5. Collateral Source Rule

A discussion draft of legislative language is at Appendix E.

The LPCIC recommends that the legislature modify the collateral source rule.

6. Opioid Abuse

At its January 10, 2017 meeting, the LPCIC had a robust discussion on the issue of opioids after a presentation by Carlos Luna of MDGuidelines on its ACOEM-based pharmacy formulary for workers’ compensation. (Presentation at Appendix F).

The LPCIC recommends that the legislature enact a requirement for the use of a closed pharmacy formulary in workers’ compensation claims.
Study Issues for 2018

1. Insurance and Technology
   The LPCIC will monitor and study issues related to the effects of technology on the business of insurance and insurance coverage.

2. Cybersecurity and Insurance
   The LPCIC will continue to monitor and study issues related to cybersecurity and insurance.

3. Highly Automated Vehicles (HAV) and Driverless Vehicles
   The LPCIC will study regulatory and insurance issues that arise with the development of driverless vehicles.

4. Private Flood Insurance and NFIP Reauthorization
   The LPCIC will monitor and study the affordability and availability of private flood insurance and proposals for increased reliance upon the private market in the renewal of the NFIP.

5. Federal and International Actions Affecting Insurance and Insurance Regulation
   The LPCIC will monitor and study the effects of federal laws and regulations and international actions on the affordability and availability of property and casualty insurance.

6. Automobile Insurance Market
   The LPCIC will study the automobile insurance market to determine solutions to the problems with availability and affordability of private passenger and commercial automobile insurance.
Appendix A

Meeting Agendas

- Agenda for October 11, 2017
  - Text of Move It Law—La. R.S. 32:141(D)
  - Text of Executive Order JBE 17-14, Suspension of Rule and Regulation Promulgation by the Louisiana State Uniform Construction Code Council

- Agenda for November 8, 2017

- Agenda for December 13, 2017

- Agenda for January 10, 2018
I. Call to Order—Chairman

II. Roll Call—Director

III. Discussions and Presentations

A. Presentation by Dan Jatres of the New Orleans Transportation Safety Coalition on the “Move It Law” (La. R.S. 32:141(D); text attached) and a recommendation to include information on the Move It Law on proof of insurance cards. (15-30 minutes)

B. Presentation by Debra Ballen, General Counsel and SVP of Public Policy, Insurance Institute for Business & Home Safety, on building codes and the effects of Executive Order JBE 17-14 (text attached) on the maintenance of the Louisiana Uniform Construction Code. (60-90 minutes)

IV. Any Other Matters and Public Comments

V. Dates for Future Meetings—November 8, 2017, December 13, 2017, and January 10, 2018. All at 10:00 a.m. in the Plaza Hearing Room, Poydras Building, 1702 N. Third Street, Baton Rouge (Louisiana Department of Insurance).

VI. Adjournment
§141. Stopping, standing, or parking outside business or residence districts

A. Upon any highway outside of a business or residence district, no person shall stop, park, or leave standing any vehicle, whether attended or unattended, upon the paved or main traveled part of the highway when it is practicable to stop, park or so leave such vehicle off such part of said highway, but in every event an unobstructed width of the highway opposite a standing vehicle shall be left for the free passage of other vehicles and a clear view of such stopped vehicles shall be available from a distance of two hundred feet in each direction upon such highway.

B. The provisions of this Section shall not apply to the driver of any vehicle which is disabled while on the main traveled portion of a highway so that it is impossible to avoid stopping and temporarily leaving the vehicle in that position. However, the driver shall remove the vehicle as soon as possible, and until it is removed it is his responsibility to protect traffic.

C. The driver of any vehicle left parked, attended or unattended, on any highway, between sunset and sunrise, shall display appropriate signal lights thereon, sufficient to warn approaching traffic of its presence. If the vehicle is not removed from the highway within twenty-four hours, the provisions of R.S. 32:473.1(B) shall apply.

D. In the event of a motor vehicle accident, if the driver is not prevented by injury and the vehicle is not disabled by the accident, or the accident has not resulted in serious injury or death of any person, the driver shall remove the vehicle from the travel lane of the highway to the nearest safe shoulder. Compliance with the provisions of this Subsection shall in no way be interpreted as a violation of requirements to remain at the scene of an accident as provided for in the Highway Regulatory Act or by R.S. 32:414.*


*As appears in enrolled bill.
EXECUTIVE ORDER
JBE 17-14

Suspension of Rule and Regulation Promulagation by the Louisiana State Uniform Construction Code Council

WHEREAS, on March 10, 2016, pursuant to La. R.S. 29:724(B)(1), 31 JBE 2016 was issued, declaring a state of emergency as a result of severe weather, and which was renewed most recently by 63 JBE 2017;

WHEREAS, pursuant to La. R.S. 29:724(B)(1), on August 12, 2016, 111 JBE 2016 was issued, declaring a state of emergency due to the heavy rain and flooding, and on August 22, 2016, pursuant to La. R.S. 29:766(B), 116 JBE 2016 was issued, declaring a state of public health emergency in the following parishes affected by the historic flooding: Acadia, Ascension, Assumption, Avoyelles, Cameron, East Baton Rouge, East Feliciana, Evangeline, Iberia, Iberville, Jefferson Davis, Lafayette, Livingston, Pointe Coupee, St. Charles, St. Helena, St. James, St. John the Baptist, St. Landry, St. Martin, St. Tammany, Tangipahoa, Vermilion, Washington, West Baton Rouge and West Feliciana, which was renewed most recently by 64 JBE 2017;

WHEREAS, as provided for by La. R.S. 40:1730.21, the public policy of Louisiana is to maintain reasonable standards of construction in buildings and other structures consistent with the public health, safety, and welfare of its citizens, with an aim to provide “reasonable safeguards for the health, safety, welfare, comfort, and security, balanced with affordability for the residents of this state who are occupants and users of buildings…”;

WHEREAS, Louisiana Revised Statute 40:1730.28 provides for the mandatory adoption of certain codes and standards by the Louisiana State Uniform Construction Council, including and as qualified within this statute, the International Building Code; International Existing Building Code; International Residential Code; International Mechanical Code; International Plumbing Code; International Fuel Gas Code; and the National Electric Code;


WHEREAS, Louisiana Revised Statute 29:724 and La. R.S. 29:766 confer upon the Governor emergency powers to deal with emergencies and disasters in order to ensure that preparations of this State will be adequate to deal with such emergencies or disasters, and to preserve the lives and property of the citizens of the State of Louisiana, including the authority to suspend the provisions of any regulatory statute prescribing the
procedures for the conduct of state business, or the orders, rules, or regulations of any state agency, if strict compliance with the provisions of any statute, order, rule, or regulation would in any way prevent, hinder, or delay necessary action in coping with the emergency;

WHEREAS, multiple residents experienced extensive damage to property as a result of the severe weather referenced in the above-cited proclamations, and currently, citizens across the State of Louisiana are in various stages of rebuilding and repairing their homes and businesses; and

WHEREAS, changes to the Uniform Construction Code would hinder or delay effective response and recovery to the emergency conditions, and there is a need to assist the citizens of Louisiana by providing for stability in certain construction standards and requirements as they rebuild and repair property.

NOW THEREFORE, I, JOHN BEL EDWARDS, Governor of the State of Louisiana, by virtue of the authority vested by the Constitution and laws of the State of Louisiana, do hereby order and direct as follows:


SECTION 2: This Order is effective upon signature and shall remain in effect until June 1, 2018.

IN WITNESS WHEREOF, I have set my hand officially and caused to be affixed the Great Seal of Louisiana, at the Capitol, in the City of Baton Rouge, on this 14th day of June, 2017.

John Bel Edwards
Governor

ATTEST BY
THE GOVERNOR
Tom Schedler
Secretary of State
Louisiana Property and Casualty Insurance Commission
Notice of Meeting and Agenda
Wednesday, November 8, 2017 at 10:00 A.M.
Department of Insurance—Plaza Hearing Room—Poydras Building

I. Call to Order—Chairman

II. Roll Call—Director

III. Discussions and Presentations

A. Presentation by Brooke Stringer, Financial Policy and Legislative Advisor, NAIC Executive Office, Washington, DC on current federal legislation affecting insurance. (15-30 minutes)

B. Discussion by Director Sheral Kellar of grants from US DOL related to training for log truck drivers. (15 minutes)

C. Presentation by Joe Woods, Vice President-State Government Relations, Property and Casualty Insurers Association of America (PCI), on automobile insurance cost drivers and other property and casualty topics. (60-90 minutes)

IV. Any Other Matters and Public Comments

V. Dates for Future Meetings—December 13, 2017 and January 10, 2018, at 10:00 a.m. in the Plaza Hearing Room, Poydras Building (Louisiana Department of Insurance), 1702 N. Third Street, Baton Rouge.

VI. Adjournment
Louisiana Property and Casualty Insurance Commission
Notice of Meeting and Agenda
Wednesday, December 13, 2017 at 10:00 A.M.
Department of Insurance—Plaza Hearing Room—Poydras Building

I. Call to Order—Chairman

II. Roll Call—Director

III. Discussions and Presentations

A. Discussion Draft of Insurance Data Security Law for feedback from commission members. (5-10 minutes)

B. Discussion of suggested recommendations for the Annual Report. (10-15 minutes)

C. Presentation by Brad Nail, Insurance Policy Manager, Uber, on autonomous vehicles and insurance issues; update on Uber insurance programs.

IV. Any Other Matters and Public Comments

V. Dates for Future Meetings—January 10, 2018 at 10:00 a.m. in the Plaza Hearing Room, Poydras Building, 1702 N. Third Street, Baton Rouge (Louisiana Department of Insurance).

VI. Adjournment
Louisiana Property and Casualty Insurance Commission  
Notice of Meeting and Agenda  
Wednesday, January 10, 2018 at 10:00 A.M.  
Department of Insurance—Plaza Hearing Room—Poydras Building

I. Call to Order—Chairman

II. Roll Call—Director

III. Discussions and Presentations

   A. Presentation by Carlos Luna, Director of Governmental Affairs, MDGuidelines, publisher of the ACOEM (American College of Occupational and Environmental Medicine) medical treatment guidelines and pharmacy formulary, on the ACOEM pharmacy formulary. (30 minutes)

   B. Discussion of and vote on recommendations and study topics for the 2017 Annual Report. (60-90 minutes)

IV. Any Other Matters and Public Comments

V. Dates for Future Meetings—none scheduled for the remainder of the fiscal year.

VI. Adjournment
Appendix B

Meeting Minutes

- Minutes for October 11, 2017
- Minutes for November 8, 2017
- Minutes for December 13, 2017
- Minutes for January 10, 2018
Present were the following:

Members: Lou Fey (Chairman), Jeff Albright (Vice Chairman), Rep. Talbot, Shawn Collins, Marc Carter, Commissioner St. Germain, Chris Haik, Director Keller, Ron Henderson, and Leslie Salleen.

Commission Staff: Tom Travis and Ron Williams.

Others: Phyllis Perron; Bobby Byrd, Chairman of the LSUCCC; Mark Roberts, International Code Council; Pauline Williams, OWCA

The Chairman called the meeting to order at 10:00 a.m.

The Director called the roll and reported the absence of a quorum.

The Chairman welcomed everyone in attendance.

Presentation and Discussion on the Louisiana Move It Law:

Dan Jatres, Regional Safety Coalition Coordinator, New Orleans Regional Safety Coalition

Sgt. Jared Sandifer, Region 1 Supervisor, La. State Police Public Affairs

Senior Trooper Bryan Lee, Public Information Officer, La. State Police Troop A

Mr. Jatres explained the Louisiana Move It Law (La. R.S. 32:141(D)) that requires drivers of vehicles involved in crashes to move the vehicles from the travel lanes of a public road when there is no death or serious injury, the vehicle is not disabled by the crash, and the driver is not prevented by injury from moving. The law reduces the risk of secondary crashes, which have a 1 in 4 chance of a fatality occurring. It also restores the flow of traffic.

The State Troopers explained that it does not impair their ability to evaluate the accident and render a report.

Mr. Jatres’ suggestion was to place a notice regarding the Move It Law on the proof of insurance cards that drivers are required possess. Mr. Albright explained that insurance companies tend to resist mandates. Commissioner St. Germain pointed out the limited amount of
space on the card that already has several requirements. Mr. Henderson offered to work with Mr. Jatres on consumer outreach. There was a consensus that greater public awareness is necessary and to work on methods to publicize it.

Presentation and Discussion on Mitigation Matters in Louisiana:

Presentation by Ms. Debra Ballen, General Counsel and Senior Vice President, Public Policy, Insurance Institute for Business and Home Safety (IBHS).

Ms. Ballen discussed:

1) The mission of the IBHS: “To conduct objective, scientific research to identify and promote effective actions that strengthen homes, businesses and communities against natural disasters and other causes of loss.”

2) The desired results of successful mitigation.

3) The IBHS priorities relating to insurance.

4) The background of issues in Louisiana.

5) The importance of strong building codes (and the benefits as demonstrated by several videos).

There being no objection, the Chairman adjourned the meeting at 11:50 a.m.
Present were the following:

Members: Commissioner Donelon, Lou Fey (Chairman), Jeff Albright (Vice Chairman), Sen. Morrish, Rep. Huval, Rep. Talbot, Ray Aleman, Shawn Collins, Marc Carter, Commissioner St. Germain, Maurice Bostick (for Sheriff Champagne), Will Grubbs, Michael Guy, Chris Haik, Director Keller, Ron Henderson, April Carter (for Leslie Sallean), Mike Baron (for Dr. Katara Williams), Noryn Ward, and Joe O’Connor.


The Chairman called the meeting to order at 10:00 a.m.

The Director called the roll and reported the presence of a quorum.

The Chairman welcomed everyone in attendance.

Presentation and Discussion on current federal legislation affecting insurance:

Brooke Stringer, Financial Policy and Legislative Advisor, NAIC Executive Office, Washington, DC

Ms. Stringer discussed current federal legislation and other actions affecting insurance:

1) “21st Century Flood Reform Act” (HR 2874) relative to extending the National Flood Insurance Program (NFIP). It includes some private market reforms that the NAIC has previously endorsed.

2) The CLAIM Act (HR 3363) relative to facilitating multistate licensing for independent claims adjusters.

3) The AV START Act (S 1885) relative to encouraging the testing and development of autonomous vehicle technology.

4) The Treasury report titled “A Financial System that Creates Economic Opportunities: Asset Management and Insurance.” The report took the unusual step of endorsing the
adoption by the states of the newly approved NAIC Insurance Data Security Model Law.

Discussion on obtaining federal training grants for driver training.

Director Kellar, Office of Workers’ Compensation Administration (OWCA).

Director Kellar discussed the high accident and fatality rates in the logging industry, especially log truck drivers. The OWCA has available some grant money to develop training materials for truck drivers and would like to work with interested agencies and parties to develop those materials.

Presentation and Discussion on Auto Safety and Loss Cost Trends:

Presentation by Mr. Joe Woods, Vice President-State Government Relations, Property and Casualty Insurers Association of America (PCI).

Mr. Woods discussed:

1) Auto insurance loss trends, which have been increasing
2) Causes and solutions to the problem of increasing loss trends.
3) Distracted driving in Louisiana is the worst in the nation.
4) The impact of extreme weather events.
5) The impact of the tort environment such as the jury trial threshold.
6) Louisiana has the second highest average overall premiums.
7) Threats to the auto insurance industry
8) Solutions that Louisiana can use to affect auto insurance rates.

There being no objection, the Chairman adjourned the meeting at 11:55 a.m.
Louisiana Property and Casualty Insurance Commission
Minutes of the Meeting of the Commission
Wednesday, December 13, 2017 @ 10:00 A.M.
Department of Insurance – Plaza Hearing Room

Present were the following:

Members: Commissioner Donelon, Lou Fey (Chairman), Jeff Albright (Vice Chairman), Sen. Morrish, Rep. Talbot, Ray Aleman, Shawn Collins, Marc Carter, Jamie Bourg (for Paul Buffone), Will Grubbs, Chris Haik, Pauline Williams (for Director Kellar), Ron Henderson, Leslie Sallean, Mike Baron (for Dr. Katara Williams), Noryn Ward, and Joe O’Connor.

Commission and LDI Staff: Tom Travis, Ron Williams, Warren Byrd, Ileana Ledet, Rich Piazza, Pat Bell, and Charles Hansberry.

The Chairman called the meeting to order at 10:10 a.m.

The Director called the roll and reported the presence of a quorum.

The Chairman welcomed everyone in attendance.

Discussion on Draft Insurance Data Security Law.

The Director briefly discussed a draft of a bill that Commissioner Donelon will offer in the 2018 Regular Session regarding data security for insurers, producers, and their third-party contractors. The Director asked members to review and make comments.

Discussion on suggested recommendations for the Annual Report.

The Director asked members to consider ideas for recommendations and study in the next Annual Report and that they send him any suggestions before the next meeting.

Presentation and Discussion on Autonomous Vehicles and Insurance Issues and an Update on Uber Insurance Programs by Mr. Brad Nail, Insurance Policy Manager, Uber.

Mr. Nail discussed the status of autonomous vehicle technology; Uber’s anticipated use of the technology; and the possible impacts of autonomous technology on insurance and highway safety.

There being no objection, the Chairman adjourned the meeting at 11:25 a.m.
Present were the following:

Members: Lou Fey (Chairman), Jeff Albright (Vice Chairman), Sen. Morrish, Rep. Talbot,
Shawn Collins, Marc Carter, Jamie Bourg (for Paul Buffone), Will Grubbs, Michael Guy,
Chris Haik, Director Kellar, Ron Henderson, April Carter (for Leslie Sallean), Mike
Barron (for Dr. Katara Williams), Noryn Ward

Commission and LDI Staff: Tom Travis, Warren Byrd, Laura Nola, Pat Bell, and Charles
Hansberry.

The Chairman called the meeting to order at 10:05 a.m.

The Director called the roll and reported the presence of a quorum.

The Chairman welcomed everyone in attendance.

Presentation by Carlos Luna, Director of Governmental Affairs, MDGuidelines, publisher of the
ACOEM (American College of Occupational and Environmental Medicine) medical
treatment guidelines and pharmacy formulary, on the ACOEM pharmacy formulary.

Mr. Luna reviewed the history of ACOEM and the MDGuidelines published by ReedGroup.
(Presentation Slides appended to the Annual Report). He discussed the value of evidence-based
medicine.

Director Kellar discussed current issues with the Louisiana medical treatment guidelines in
workers’ compensation, especially the current litigation over the status of the guidelines and its
effect on any attempts to add a formulary while such litigation is pending at the Louisiana
Supreme Court. She also discussed other legislation enacted in 2017 to limit opioid prescriptions.

Representative Talbot stated his intent to introduce a formulary bill in 2018.

Senator Morrish asked Mr. Luna about evidence-based medicine and medical marijuana. Mr.
Luna replied that it is very difficult to do high quality, long-term research on an illegal controlled
substance, of which would preclude it from a formulary. Mr. Ken Eichler from ODG added that
current banking laws prohibit paying for marijuana through electronic systems, which effectively
eliminates the ability of an insurer to reimburse for the treatment.
Consideration of recommendations and study topics for the Annual Report.

The Director began the discussion by presenting a list of suggested recommendations derived from previous years.

1. **Uniform Construction Code**

   *The LPCIC recommends that the legislature resist any efforts to weaken or diminish the current Louisiana State Uniform Construction Code and enact legislation to strengthen the Uniform Construction Code and its enforcement.*

   After an opportunity for discussion and public comment, the commission adopted the recommendation without objection on the motion of Mr. Albright and a second by Mr. Carter.

2. **Distracted Driving**

   *The LPCIC recommends that the legislature ban the manual use by the operator of a motor vehicle while in motion of all electronic devices not permanently installed in the vehicle.*

   After an opportunity for discussion and public comment, the commission adopted the recommendation without objection on the motion of Mr. Carter and a second by Commissioner St. Germain.

3. **Civil Jury Threshold**

   *The LPCIC recommends that the legislature reduce or eliminate the civil jury threshold.*

   After an opportunity for discussion and public comment, the commission adopted the recommendation over the objection of Director Kellar on the motion of Mr. Albright and a second by Mr. Carter.

4. **Direct Action**

   *The LPCIC recommends that the legislature repeal the direct action statute or amend it to limit the instances for naming an insurer as a defendant to those where the insured is unable to be served with process.*

   After an opportunity for discussion and public comment, the commission adopted the recommendation without objection on the motion of Rep. Talbot and a second by Sen. Morrish.

5. **Collateral Source Rule**

   *The LPCIC recommends that the legislature modify the collateral source rule.*

   After an opportunity for discussion and public comment, the commission adopted the recommendation without objection on the motion of Rep. Talbot and a second by Mr. Albright.
6. Opioid Abuse

The LPCIC recommends that the legislature enact a requirement for the use of a closed pharmacy formulary in workers’ compensation claims.

After an opportunity for discussion and public comment, the commission adopted the recommendation over the objection of Director Kellar on the motion of Rep. Talbot and a second by Mr. Albright.

The Director presented a list of suggested study topics.

1. Insurance and Technology

The LPCIC will study issues related to insurance and technology.

2. Cybersecurity and Insurance

The LPCIC will monitor and study issues related to cybersecurity and insurance.

3. Highly Automated Vehicles (HAV) and Driverless Vehicles

The LPCIC will study regulatory and insurance issues that arise with the development of driverless vehicles.

4. Private Flood Insurance and NFIP Reauthorization

The LPCIC will monitor and study the affordability and availability of private flood insurance and proposals for increased reliance upon the private market in the renewal of the NFIP.

5. Federal and International Actions Affecting Insurance and Insurance Regulation

The LPCIC will monitor and study the effects of federal laws and regulations and international actions on the affordability and availability of property and casualty insurance.

After an opportunity for discussion and public comment, the commission adopted the study topics without objection on the motion of Rep. Talbot and a second by Mr. Albright and Director Kellar.

There being no objection, the Chairman adjourned the meeting at 11:40 a.m.
Appendix C

Automobile Insurance Issues

- Presentation by Joe Woods, Vice President-State Government Relations, Property and Casualty Insurers Association of America (PCI), on automobile insurance cost drivers and other property and casualty topics.
- Infographic on insurance cost drivers in Louisiana
- Infographic on distracted driving in Louisiana
- Infographic on the legal climate in Louisiana
- Presentation by Dan Jatres of the New Orleans Transportation Safety Coalition on the “Move It Law” (La. R.S. 32:141(D) and a recommendation to include information on the Move It Law on proof of insurance cards.
- Distracted Driving Laws by State (Updated July 2017) by Governors Highway Safety Association
# Car Insurance Rates by State, 2017 Edition

*(Insure.com)*

<table>
<thead>
<tr>
<th>Rank</th>
<th>State</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Michigan</td>
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</tr>
<tr>
<td>2</td>
<td>Louisiana</td>
<td>$1,921</td>
</tr>
<tr>
<td>3</td>
<td>Connecticut</td>
<td>$1,897</td>
</tr>
<tr>
<td>4</td>
<td>Rhode Island</td>
<td>$1,848</td>
</tr>
<tr>
<td>5</td>
<td>Florida</td>
<td>$1,840</td>
</tr>
<tr>
<td>6</td>
<td>DC</td>
<td>$1,696</td>
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<tr>
<td>7</td>
<td>California</td>
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<td>Wyoming</td>
<td>$1,538</td>
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<td>Kentucky</td>
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<td>17</td>
<td>New York</td>
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<tr>
<td>22</td>
<td>Mississippi</td>
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<td><strong>Avg.</strong></td>
<td>National Average</td>
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<td>Pennsylvania</td>
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<td>25</td>
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<td>26</td>
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<td>27</td>
<td>South Carolina</td>
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<tr>
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<td>State</td>
<td>Rate</td>
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</tr>
<tr>
<td>28</td>
<td>Massachusetts</td>
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<td>33</td>
<td>New Mexico</td>
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<td>36</td>
<td>Illinois</td>
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<td>37</td>
<td>Wisconsin</td>
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<td>38</td>
<td>Alaska</td>
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<td>39</td>
<td>New Hampshire</td>
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</tr>
<tr>
<td>40</td>
<td>Nebraska</td>
<td>$1,112</td>
</tr>
<tr>
<td>41</td>
<td>Missouri</td>
<td>$1,107</td>
</tr>
<tr>
<td>42</td>
<td>Utah</td>
<td>$1,068</td>
</tr>
<tr>
<td>43</td>
<td>South Dakota</td>
<td>$1,058</td>
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<tr>
<td>44</td>
<td>Virginia</td>
<td>$1,040</td>
</tr>
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<td>45</td>
<td>Indiana</td>
<td>$1,021</td>
</tr>
<tr>
<td>46</td>
<td>Iowa</td>
<td>$1,017</td>
</tr>
<tr>
<td>47</td>
<td>North Carolina</td>
<td>$1,010</td>
</tr>
<tr>
<td>48</td>
<td>Vermont</td>
<td>$948</td>
</tr>
<tr>
<td>49</td>
<td>Idaho</td>
<td>$942</td>
</tr>
<tr>
<td>50</td>
<td>Ohio</td>
<td>$919</td>
</tr>
<tr>
<td>51</td>
<td>Maine</td>
<td>$864</td>
</tr>
</tbody>
</table>

**National Average $1,318**

**Methodology**

[Insure.com](https://www.insure.com) commissioned Quadrant Information Services to calculate auto insurance rates from six large carriers (Allstate, Farmers, GEICO, Nationwide, Progressive and State Farm) in 10 ZIP codes per state. Rates were compiled in May 2017.

The study used averaged rates in each state for the cheapest-to-insure 2017 model-year versions of America’s 20 best-selling vehicles and ranked each state by that average. Rates are for comparative purposes only within the same model year.

Rates are based on full coverage for a single, 40-year-old male who commutes 12 miles to work each day, with policy limits of 100/300/50 ($100,000 for injury liability for one person, $300,000 for all injuries and $50,000 for property damage in an accident) and a $500 deductible on collision and comprehensive coverage. The hypothetical driver has a clean record and good credit. The rate includes uninsured motorist coverage. Actual consumer rates will depend on individual driver factors.
Auto Loss Trends

4Q Moving Direct Loss Ratio

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Severity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Quarter-Over-Quarter</td>
<td>Year-Over-Year</td>
</tr>
<tr>
<td>BI</td>
<td>-0.90%</td>
<td>-2.85%</td>
</tr>
<tr>
<td>PD</td>
<td>0.15%</td>
<td>0.53%</td>
</tr>
<tr>
<td>PIP</td>
<td>-0.71%</td>
<td>-0.42%</td>
</tr>
<tr>
<td>COMP</td>
<td>-0.75%</td>
<td>-1.26%</td>
</tr>
<tr>
<td>COLL</td>
<td>0.45%</td>
<td>2.11%</td>
</tr>
</tbody>
</table>

Source: SNL Financial (S&P Global Market Intelligence)

Source: ISS/NISS/ISO Personal Auto Fast Track Data 2017 Q2
<table>
<thead>
<tr>
<th>Causes</th>
<th>Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban Congestion &amp; Road</td>
<td>Infrastructure Investment</td>
</tr>
<tr>
<td>Conditions</td>
<td></td>
</tr>
<tr>
<td>Device Distractions</td>
<td>Handheld Bans &amp; Primary</td>
</tr>
<tr>
<td></td>
<td>Enforcement</td>
</tr>
<tr>
<td>Extreme Weather Events</td>
<td>Weather Warning Systems</td>
</tr>
<tr>
<td>Speed Limits</td>
<td>Lower Speed Limits</td>
</tr>
<tr>
<td>Impaired Driving</td>
<td>Education &amp; Enforcement</td>
</tr>
<tr>
<td>Litigation Environment</td>
<td>Tort Reform</td>
</tr>
</tbody>
</table>
Traffic Congestion

Average Metropolitan Area Commute Time


Average Annual Delay (Hrs) per Auto Commuter

- Baton Rouge
- New Orleans
Distracted Driving

Distracted driving is a 'dangerous epidemic' in Louisiana

La. ranked worst state for distracted driving; AT&T launches campaign to curb problem
Tort Environment

Jury Trial Threshold
Silver Medal Premiums

- 2\textsuperscript{nd} highest average overall premiums.
- 2\textsuperscript{nd} highest average collision premiums.
- 6\textsuperscript{th} highest average combined liability premiums.
- 8\textsuperscript{th} highest average comprehensive premiums.
“Overall customer satisfaction with U.S. auto insurers improves in 2017 and is now at a historically high level.”

—J.D. Power
Bad News

Looking To The Horizon

• Worsening Frequency
• Record Severity
• Lagging Premium Growth
• Record Low Investment Income Rate
• Unsustainable Losses
• Record Negative ROE
Record Industry Losses

Increasing Compliance Burdens

Corporate/regulatory compliance expenses jumped 19% from 2013 to 2015.

Regulatory compliance may have cost property casualty insurers more than $1 billion in 2015.

Regulatory expenses for small carriers were 41% higher than the industry average.
Solutions for Louisiana

• Apply texting while driving law to all drivers
• Public education on the dangers and costs of distracted driving
• Public education on the “Tort Tax” all consumers and businesses in Louisiana are paying
• Reduce regulatory/compliance costs

Tort Reforms:
• Jury Trial Threshold
• Collateral Source rule
• Direct Action Statute
Vehicle crashes on the rise in Louisiana

The rise in traffic crashes on Louisiana roads is a major safety concern and increases costs for all auto insurance consumers

Introduction

America’s roads have become increasingly dangerous as smartphone distractions, traffic congestion, impaired drivers, and other threats have contributed to a spike in the frequency and severity of auto crashes nationwide. The National Safety Council estimates that as many as 40,000 people died in motor vehicle crashes across the country in 2016. That marks a 10.4 percent increase over 2015, and a 14 percent increase over 2014--the most dramatic two-year escalation in more than 50 years.

Insurance industry data shows Louisiana is no exception, seeing a notable increase in the number of vehicle damage claims likely resulting from a greater number of car crashes. Drivers aren't just talking and texting. Increasingly, they’re surfing the web, engaging on social media and using apps. Other factors such as more miles being driven on roads needing repair, higher speed limits, and more marijuana-impaired drivers also have been cited as contributing to rising numbers of crashes.

Auto safety is the first concern of auto insurers. However the increase in accident frequency and severity comes at a time when repair, labor, medical, and other costs associated with crashes also are rising. All of these can lead to an increase in insurance costs for consumers.
Possible contributing factors

Potential reasons for Louisiana’s growing number of crashes, leading to injuries and fatalities, vehicle damage and higher insured losses, include but are not limited to the following:

- More than half the fatal crashes in 2015 involved an unrestrained occupant in Louisiana, one of the highest such rates in the nation.4
- One in three traffic fatalities in 2014 involved a drunk driver with a BAC of .08 or higher.5

Vehicle accidents on the rise in Louisiana

New Orleans:
45 hours of traffic delays per auto, translating to 39.2 million hours total.1

Baton Rouge:
47 hours of traffic delays per auto, translating to 22.2 million hours total.1

Unsafe driving behavior:
- No full cell phone ban, but partial hand-held ban in school zones and for novice drivers.2
- Legalized medical marijuana since 2016.3

What can be done?

Policy options to reduce crash costs
- Allow insurers to work with auto body repair shops and glass companies to provide cost-effective and reliable repairs.
- Support the implementation and enforcement of fraud laws (chop shops, fraudulent medical billing, etc.).
- Support the implementation of tort reform, especially around jury trial thresholds. The high jury threshold is used to manipulate the court system and increase insurance costs. In addition, the tort environment contributes to the high frequency of bodily injury liability claims in Louisiana.

High threshold; high costs

Louisiana’s $50,000 jury trial threshold is 3.3 times higher than the next closest state, Maryland, at $15,000

Source: Louisiana Lawsuit Abuse Watch

1 Source: https://mobility.tamu.edu/ums/
2 Source: http://www.iihs.org/iihs/topics/laws/cellphonelaws/maphandheldcellbans
4 Source: https://crashstats.nhtsa.dot.gov/Api/Public/ViewPublication/812374
5 Source: https://crashstats.nhtsa.dot.gov/Api/Public/ViewPublication/812231
Did you know?

Distracted drivers in Louisiana are involved in more than 50% of crashes with injuries

Source: Transportation Consortium of South Central States (Tran-SET) and Louisiana State University

INCRESIN IN CRASHES

Louisiana ranks among the top 10 states

Your family’s safety is the first priority, but crashes could also be impacting your pocketbook by increasing your insurance costs.


Nearly 1/3 of all U.S. drivers ages 18-64 read, send texts or emails while driving.

Source: NHTSA

We all must work to keep motorists safe. Help lower insurance costs for all consumers.

DRIVE NOW, TEXT OR EMAIL LATER

Follow us on Twitter | Like us on Facebook | Visit us at www.pciaa.net
Is it a coincidence?
Louisiana has more lawsuits and higher costs

Is it a coincidence...
Louisiana has the nation’s highest jury trial threshold
This high threshold enables trial lawyers to “judge shop” for favorable venues

Louisiana: $50,000 Jury Threshold

Is it a coincidence...
In Louisiana
53% of claims are under the $50,000 jury threshold
A high bar to cross for a trial by jury

Is it a coincidence...
Louisiana drivers are
2x more likely to file auto injury claims
More attorney involvement
More claims...Higher costs

What does that mean for the consumer?
The more corrupt the legal system, the higher the litigation costs, which ultimately hurts consumers. In Louisiana trial attorneys use the high jury threshold to manipulate the court system and increase insurance costs.

Now is the time for change!
Eliminating the jury threshold will help consumers and reduce costs
Did you know?
Louisiana has one of the nation’s worst legal climates

LEGAL CLIMATE RANKINGS
1. DELAWARE
2. VERMONT
3. NEBRASKA
4. IOWA
5. NEW HAMPSHIRE
6. IDAHO
7. NORTH CAROLINA
8. WYOMING
9. SOUTH DAKOTA
10. UTAH
11. VIRGINIA
12. ALASKA
13. MINNESOTA
14. MAINE
15. NORTH DAKOTA
16. COLORADO
17. MASSACHUSETTS
18. INDIANA
19. KANSAS
20. WISCONSIN
21. NEW YORK
22. CONNECTICUT
23. TENNESSEE
24. MICHIGAN
25. ARIZONA
26. RHODE ISLAND
27. OHIO
28. MARYLAND
29. WASHINGTON
30. HAWAII
31. GEORGIA
32. OREGON
33. OKLAHOMA
34. MONTANA
35. NEVADA
36. SOUTH CAROLINA
37. PENNSYLVANIA
38. NEW JERSEY
39. KENTUCKY
40. TEXAS
41. ARKANSAS
42. MISSOURI
43. MISSISSIPPI
44. FLORIDA
45. NEW MEXICO
46. ALABAMA
47. CALIFORNIA
48. ILLINOIS
49. LOUISIANA
50. WEST VIRGINIA

Louisiana’s Legal System Needs:
• Jury Trial Threshold Reform
• Discovery Reform
• Collateral Source Rule Reform
• Class Action Lawsuit Reform
• Venue Reform
• Contract Litigation Reform
• Repeal Direct Action Statute

Louisiana’s legal climate ranks 49th of 50 states
Source: U.S. Chamber of Commerce's Institute for Legal Reform

What does that mean for the consumer?
The more corrupt the legal system, the higher the litigation costs, which ultimately hurts consumers. In Louisiana, insurers are forced to spend millions of dollars every year to fight frivolous lawsuits. These costs could increase the price of insurance and a host of other products and services.

Now is the time for change!
Lawsuit reform will help Louisiana’s economy and help policyholders save on costs

Follow us on Twitter  |  Like us on Facebook  |  Visit us at www.pciaa.net
LOUISIANA MOVE IT LAW

Louisiana Strategic Highway Safety Plan
Traffic Crashes in Louisiana

- Over the last 10 years:
  - Fatalities are down 24% (963 to 752)
  - Severe injuries are down 24% (1,832 to 1,388)

- However, the rolling 5-year average of both are trending back upward in recent years
Louisiana Move It Law R.S. 32:141(D)

- Louisiana Law: in the event of a crash “the driver **shall** remove the vehicle from the travel lane” so long as:
  - There are no fatalities or serious injuries
  - The vehicle is not disabled by the crash
  - The driver is not prevented by injury from moving the vehicle
- “Shall” means action is required
Purpose of the Move It Law

- Reduces risk of secondary crashes
  - First responders
  - Other drivers
  - 1 in 4 chance secondary crashes result in a fatality
- Restores flow of traffic
  - Clears the roadway of obstructions
  - 4 minutes of delay for every 1 minute of blockage
Raising Awareness of the Move It Law

- **Reactive**
  - First Responders
  - 911 Operators
  - MAP Operators

- **Proactive**
  - Driver’s Manual
  - Roadway Signage

- **Future**
  - Insurance Cards
  - Dynamic Message Signs
Questions?

Dan Jatres
504.483.8505
djatres@norpc.org

Sgt Jared Sandifer
Senior Trooper Bryan Lee
Louisiana State Police
## Distracted Driving Laws by State
Updated July 2017

<table>
<thead>
<tr>
<th>State</th>
<th>Hand-held Ban</th>
<th>All Cell Phone Ban</th>
<th>Text Messaging Ban</th>
<th>Crash Data</th>
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<td>School Bus Drivers</td>
<td>Novice Drivers</td>
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<td>16, or 17 w/ Intermediate License &lt;6 months (Primary)</td>
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<td>Idaho</td>
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<td>Iowa</td>
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<td>Learner or Intermediate License (regardless of age)</td>
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<td>Mississippi</td>
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<td>Montana</td>
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<td>Nebraska</td>
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<td>New Jersey</td>
<td>Yes</td>
<td>Permit or Provisional License (Primary)</td>
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<td>New Mexico</td>
<td>In State vehicles</td>
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<td>Ohio</td>
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<td>Oregon</td>
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<td>Pennsylvania</td>
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<th>Secondary (Novice)</th>
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<td>Texas</td>
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<td>&lt;18 (Primary)</td>
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<tr>
<td>Washington</td>
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<tr>
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<tr>
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<tr>
<td>Wyoming</td>
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<td></td>
<td>Yes</td>
<td>Yes</td>
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</tr>
</tbody>
</table>
| **Total States** | **15 + D.C. PR, Guam, Virgin Islands** | **20 + D.C.** | **38 + D.C.** | **All Drivers: 47 + D.C., PR, Guam, Virgin Islands** | **48 + D.C., Virgin Islands** | **All Primary** | **Primary (32 + D.C.)** | **Secondary (4) Novice Drivers Only: 2** | **Arkansas also bans the use of hand-held cell phones while driving in a school zone or in a highway construction zone. This law is secondarily enforced.** <br> **Texas has banned the use of hand-held phones in school zones.**<br>
Appendix D

Building Codes

- Presentation (Except Videos) by Debra Ballen, General Counsel and SVP of Public Policy, Insurance Institute for Business & Home Safety, on building codes and the effects of Executive Order JBE 17-14 on the maintenance of the Louisiana Uniform Construction Code.

- Executive Order JBE 17-32, rescinding Executive Order JBE 17-14

- NIBS Fact Sheet: *Building Codes Set the Foundation for Mitigation Investments*

- NIBS Fact Sheet: *Designing to Exceed 2015 Codes Provides $4 Benefit for Each $1 Invested*
Mitigation Matters in Louisiana

Debra Ballen, General Counsel and SVP Public Policy
IBHS Mission

To conduct objective, scientific research to identify and promote effective actions that strengthen homes, businesses and communities against natural disasters and other causes of loss.
What Successful Mitigation Looks Like

- Building codes = strong and enforced for residential and commercial
- FORTIFIED Home™, FORTIFIED Commercial™ = national voluntary standards for resilience
- All parts of the building performance chain
- OFB-EZ® and EZ-PREP™
- Preservation of economic and social structures = not just buildings
- Overall goal = community resilience = a resilient nation
Lower loss exceedance curve
Better understand (reducing) vulnerabilities
Accurately assess weather–built environment interaction
Improve Cat models
New claims tools
Reduce contractor fraud
Hurricane Harvey
IBHS Post-Disaster Investigation

- Focus on wind damage to residential and commercial properties affected by western eyewall, using new mobile app
- Damage ranged from total destruction (just slab and some rubble remaining), to minor facade damage, to no discernable damage
- All else being equal, newer construction performed better than older construction
- Lack of power one of biggest barriers to recovery
Irma Observations

• In FL, wind speeds lower and path less destructive than forecast
• Homes sustained much less damage than from Andrew = better codes and enforcement
• Storm surge on Gulf Coast less than expected, but major flooding in northern FL, GA, SC, etc.
• Lack of power one of biggest barriers to recovery
What Do People Think About Disaster Risk?

• “It won’t happen to me; if it does, someone else will pay for it”
• “I would rather invest in granite countertops than a strong roof”
• “A 1/100 year event means nothing bad will happen for 99 more years”
• “I am outside a flood zone so my house won’t flood”
• “Insurance costs too much”
Louisiana Considerations

• Hurricane Katrina’s legacy looms large in human, economic and insurance terms; Baton Rouge floods are another example that “it can (and probably will) happen here”

• Accomplishments = first statewide building code; multiple public, private, non-profit resilience initiatives; and billions of dollars spent on buildings and infrastructure
Louisiana Considerations Cont.

• Challenges = multiple efforts to reverse or bypass codes/regulatory requirements to save money or rebuild faster

• LA should understand the need for protection and a strong code, yet is backstepping with the recent Executive Order

• Culture shift must occur where officials and citizens understand that codes protect against repeated disasters and enable personal freedom; they don’t erode it
<table>
<thead>
<tr>
<th>Wind</th>
<th>Wind-Driven Rain</th>
<th>Hail</th>
<th>Wildfire</th>
</tr>
</thead>
</table>

- Initial Performance (test standards)
- Aging Effects
- Repair vs. Replacement
Building Codes

The MINIMUM Standard
Life Safety Protections

– **2015**: 500,000 structural fires in U.S., 2,685 civilian deaths

– **2016**: Oakland Ghost Ship fire (36 deaths)

– **2017**: Grenfell Tower fire (80+ deaths)
What Difference Do Building Codes Make?

Claim Severity

- DOWN 40%

Claim Frequency

- DOWN 60%

Reduction in losses of homes built to modern codes—according to IBHS study after Hurricane Charley (2004)
Katrina 10 Years Later—Roof Resilience

2015 IBHS study surveyed 14 LA coastal parishes to measure post-Katrina improvements

- All 14 require permits for new construction/remodeling, but only 7 for re-roofing
- Only 7 require roofers to be licensed
- Almost all require inspections for roof sheathing and sheathing attachments for new roofs

• Following Hurricane Katrina, LA adopted its first statewide building code (LA State Uniform Construction Code)

• In 2013, LA State Code Council adopted design wind speed maps of 2012 edition of IRC without accompanying maps delineating high-wind design or windborne debris regions
• Adoption of 2015 IRC would have resolved deficiency created as a result of not adopting the trigger high-wind design and windborne debris maps of 2012 IRC

• However, just before 2015 IRC scheduled to be effective (July 1, 2017) EO suspended code adoptions until June 1, 2018

• Result is gap in windborne debris protection high-wind areas
What Is FORTIFIED?

FORTIFIED is a suite of systematic, inspection-based resilience programs developed by IBHS

fortifiedhome.org
Why FORTIFIED?

- Reduce property damage and insurance claims
- Protect business operations and livelihoods
- Win-win situation for homeowners, communities, business owners, their customers, insurance companies, and society
“Results show that switching from a conventional construction standard to a FORTIFIED designation increases the value of a home by nearly 7%, holding all other variables constant.”
FORTIFIED Risk Map

- **Hurricane**
- **High Wind** (Minimum required in all areas that are not Hurricane)
- **High Wind & Hail** (Recommended in these areas)
FORTIFIED Home™ Levels

Hurricane

- Roof and Attic Vent System
- Openings, Gables and Attached Structures
- Structure (Continuous Load Path) and Chimney

High Wind/High Wind & Hail

- Roof System*
- Gables, Porches, Carports and Chimneys
- Garage Doors and Structure (CLP)

*Class 3 or 4 Impact Rating for HWH

Location and Design Wind Speed are key determining factors in deciding which standard(s) apply.
Challenges Ahead

• Understanding risk
• Valuing resilience
• Financing mitigation
• Identifying and assessing risks associated with new technologies
• Public policy environment
EXECUTIVE ORDER
JBE 17-32

Rescind Executive Order No. JBE 17-14 Suspension of Rule and Regulation Promulgation by the Louisiana State Uniform Construction Code Council

WHEREAS, on March 10, 2016, pursuant to La. R.S. 29:724(B)(l), 31 JBE 2016 was issued, declaring a state of emergency as a result of severe weather, and which was renewed most recently by 63 JBE 2017;

WHEREAS, pursuant to La. R.S. 29:724(B)(l), on August 12, 2016, 111 JBE 2016 was issued, declaring a state of emergency due to the heavy rain and flooding, and on August 22, 2016, pursuant to La. R.S. 29:766(B), 116 JBE 2016 was issued, declaring a state of public health emergency in the following parishes affected by the historic flooding: Acadia, Ascension, Assumption, Avoyelles, Cameron, East Baton Rouge, East Feliciana, Evangeline, Iberia, Iberville, Jefferson Davis, Lafayette, Livingston, Pointe Coupee, St. Charles, St. Helena, St. James, St. John the Baptist, St. Landry, St. Martin, St. Tammany, Tangipahoa, Vermilion, Washington, West Baton Rouge and West Feliciana, which was renewed most recently by 64 JBE 2017;

WHEREAS, as provided for by La. R.S. 40:1730.21, the public policy of Louisiana is to maintain reasonable standards of construction in buildings and other structures consistent with the public health, safety, and welfare of its citizens, with an aim to provide "reasonable safeguards for the health, safety, welfare, comfort, and security, balanced with affordability for the residents of this state who are occupants and users of buildings ... ";

WHEREAS, Louisiana Revised Statute 40:1730.28 provides for the mandatory adoption of certain codes and standards by the Louisiana State Uniform Construction Council, including and as qualified within this statute, the International Building Code; International Existing Building Code; International Residential Code; International Mechanical Code; International Plumbing Code; International Fuel Gas Code; and the National Electric Code;


WHEREAS, Louisiana Revised Statute 29:724 and La. R.S. 29:766 confer upon the Governor emergency powers to deal with emergencies and disasters in order to ensure that preparations of this State will be adequate to deal with such emergencies or disasters, and to preserve the lives and property of the citizens of the State of Louisiana, including the authority to suspend the provisions of any regulatory statute prescribing the procedures for the conduct of state business, or the orders, rules, or regulations of any state agency, if strict compliance with the provisions of any statute, order, rule, or regulation would in any way prevent, hinder, or delay necessary action in coping with the emergency;
WHEREAS, multiple residents experienced extensive damage to property as a result of the severe weather referenced in the above-cited proclamations, and currently, citizens across the State of Louisiana are in various stages of rebuilding and repairing their homes and businesses;

WHEREAS, changes to the Uniform Construction Code would hinder or delay effective response and recovery to the emergency conditions, and there is a need to assist the citizens of Louisiana by providing for stability in certain construction standards and requirements as they rebuild and repair property; and


NOW THEREFORE, I, JOHN BEL EDWARDS, Governor of the State of Louisiana, by virtue of the authority vested by the Constitution and laws of the State of Louisiana, do hereby order and direct as follows:

SECTION 1: Executive Order No. JBE 17-14 is rescinded.

IN WITNESS WHEREOF, I have set my hand officially and caused to be affixed the Great Seal of Louisiana, at the Capitol, in the City of Baton Rouge, on this 11th day of December, 2017.

John Bel Edwards
Governor of Louisiana

ATTEST BY THE
SECRETARY OF STATE
Tom Schedler
Secretary of State
Introduction

Natural hazards present significant risks to many communities across the United States. Fortunately, there are measures governments, building owners, developers, tenants and others can take to reduce the impacts of such events. These measures—commonly called mitigation—can result in significant savings in terms of safety, prevent property loss and disruption of day-to-day life.

The National Institute of Building Sciences Multihazard Mitigation Council (MMC) undertook a study in 2017 to update and expand upon the findings of its 2005 Mitigation Saves study on the value of mitigation. In the 2017 Interim Study, the project team analyzed two areas of mitigation programs:

- **Federal grants:** The impacts of 23 years of federal grants made by the Federal Emergency Management Agency (FEMA), Economic Development Administration (EDA) and the Department of Housing and Urban Development (HUD), resulting in a national benefit of $6 for every $1 invested.
- **Beyond code requirements:** Designing new structures to exceed select provisions of the 2015 International Building Code (IBC) and International Residential Code (IRC) and the adoption of the 2015 International Wildland-Urban Interface Code (IWUIC). This resulted in a national benefit of $4 for every $1 invested.

If all new buildings were built to incrementally efficient maximum (IEMax) design levels to exceed select requirements of the 2015 IBC and IRC and in compliance with the 2015 IWUIC for one year, new construction would save approximately $4 in avoided future losses for every $1 spent on additional, up-front construction cost. Such measures are estimated to prevent approximately 32,000 nonfatal injuries, 20 deaths and 100 cases of post-traumatic stress disorder (PTSD). Examining the past 23 years of federally funded natural hazard mitigation, society will ultimately save $6 for every $1 spent on up-front mitigation cost. The federally funded natural hazard mitigation is estimated to prevent approximately 1 million nonfatal injuries, 600 deaths and 4,000 cases of PTSD.

Codes are the Foundation for Mitigation Investments

Building codes represent the commonly accepted requirements to protect public health, safety and the environment. They address fire, structural integrity, seismology, flood and wind protection, lighting and air quality, energy safety and efficiency, ongoing building maintenance and sanitation. Codes establish requirements for construction quality, safety, energy performance, accessibility and the well-being and comfort of their occupants. Where adopted and adequately enforced, they provide the community and individual building owners and occupants with a high-level of protection from hazard events.

As demonstrated by findings of the Interim Report and as will be examined within the ongoing study, there are opportunities to build on this strong foundation. Exceeding select provisions of the 2015 IBC and IRC and implementing the 2015 IWUIC can provide significant benefits. These findings can inform the code development process moving forward. However, some communities have not adopted current building codes and thus are not taking advantage of the mitigation benefits already incorporated into the codes. The benefit-cost ratio (BCR) for this scenario will be examined in the next phase of the Mitigation Saves study.

Table 1 provides BCRs for each natural hazard the project team examined. The costs reflect only the added costs and benefits relative to the 2015 editions of the IBC and IRC. Where communities have an older code or no code in place, additional costs and benefits will accrue. If all new buildings built the year after were also designed to exceed select I-Code requirements, the benefits would be that much greater, in proportion to the quantity of new buildings.
Strategies to exceed minimum requirements of the 2015 Codes studied here include:

- For flood resistance (to address riverine flooding and hurricane surge), build new homes higher above base flood elevation (BFE) than required by the 2015 IBC.
- For resistance to hurricane winds, build new homes to comply with the Insurance Institute for Business & Home Safety (IBHS) FORTIFIED Home Hurricane standards.
- For resistance to earthquakes, build new buildings stronger and stiffer than required by the 2015 IBC.
- For fire resistance in the wildland-urban interface, build new buildings to comply with the 2015 IWUIC.

The BCRs and the supporting documentation provided in the Interim Report can help inform the ongoing code development process—both at the national and state and local levels. Mayors, city council members, state legislators and code boards can inform discussions on the adoption of updated codes and potential costs and benefits that may accrue to the community and to individual stakeholders.

The very existence of codes provides benefits that are not quantified here, but may be included in the ongoing study. Such benefits include coherence, sensibility and uniformity that leads to consistent specifications and requirements for manufacturers and suppliers, allows for the introduction of innovative systems and helps to ensure building materials perform as intended. Codes are a uniform blueprint for design professionals, builders and inspectors during the project planning and construction process.

Model code development relies on the engagement of an extensive group of diverse stakeholders working together in a consensus-based process to develop, maintain and update model codes intended for state and local implementation. The process combines science and engineering, innovations in technology and materials, economics, industry experience and consumer demand to generate some of the most comprehensive building codes in the world.

**All Stakeholders Benefit from Mitigation Investments**

All major stakeholder groups, including developers, title holders, lenders, tenants and the community, enjoy net benefits from new design to exceed the code requirements studied. All of society wins when designers and builders design and construct new buildings that meet an IEMax level of design exceeding 2015 I-Code requirements where it makes financial sense, on a societal level, to do so. The benefits to tenants and owners only accrue to those who own or occupy buildings designed to exceed 2015 I-Code requirements. However, even those who do not own or occupy those buildings enjoy a share of the community benefits. (Note: This finding reflects long-term averages to broad groups, so it only speaks to the group as a whole, on average, rather than to the experience of each individual member of the group.)

![Table 1. Benefit-Cost Ratio by Hazard and Mitigation Measure.](image)

![Figure 1. Stakeholder net benefits resulting from one year of constructing all new buildings to exceed select 2015 IBC and IRC requirements or to comply with 2015 IWUIC.](image)
Introduction

Natural hazards present significant risks to many communities across the United States. Fortunately, there are measures governments, building owners, developers, tenants and others can take to reduce the impacts of such events. These measures—commonly called mitigation—can result in significant savings in terms of safety, prevent property loss and disruption of day-to-day life.

The National Institute of Building Sciences Multihazard Mitigation Council (MMC) undertook a study in 2017 to update and expand upon the findings of its 2005 Mitigation Saves study on the value of mitigation. In the 2017 Interim Study, the project team analyzed two areas of mitigation programs:

- **Federal grants**: The impacts of 23 years of federal grants made by the Federal Emergency Management Agency (FEMA), Economic Development Administration (EDA) and the Department of Housing and Urban Development (HUD), resulting in a national benefit of $6 for every $1 invested.

- **Beyond code requirements**: Designing new structures to exceed select provisions of the 2015 International Building Code (IBC) and International Residential Code (IRC) and the adoption of the 2015 International Wildland-Urban Interface Code (IWUIC). This resulted in a national benefit of $4 for every $1 invested.

Results of Exceeding Code

If all new buildings were built to the incrementally efficient maximum (IEMax) design to exceed select requirements of the 2015 IBC and IRC and compliance with the 2015 IWUIC for one year, new construction would save approximately $4 in avoided future losses for every $1 spent on additional, up-front construction cost. Such measures are estimated to prevent approximately 32,000 nonfatal injuries, 20 deaths and 100 cases of PTSD.

Table 1 provides BCRs for each natural hazard the project team examined. Figure 1 shows the overall ratio of costs to benefits for the design of new buildings to exceed the select I-Code requirements that the project team studied. The costs reflect only the added cost relative to the 2015 IBC and IRC. Where communities have an older code or no code in place, additional costs and benefits will accrue. If all new buildings built the year after were also designed to exceed select I-Code requirements, the benefits would be that much greater, in proportion to the quantity of new buildings.

The stringency of codes adopted at the state and local level varies widely. The project team used the unamended 2015 IBC and IRC as the baseline minimum codes for this study. Minimum codes provide a significant level of safety, however, society can save more by designing some new buildings to exceed minimum requirements of the 2015 Codes. Strategies to exceed minimum requirements of the 2015 Codes studied here include:

- For flood resistance (to address riverine flooding and hurricane surge), build new homes higher above base flood elevation (BFE) than required by the 2015 IBC.

- For resistance to hurricane winds, build new homes to comply with the Insurance Institute for Business
Mitigation Saves: Designing to Exceed 2015 Codes Provides $4 Benefit for Each $1 Invested

& Home Safety (IBHS) FORTIFIED Home Hurricane standards.

- For resistance to earthquakes, build new buildings stronger and stiffer than required by the 2015 IBC.
- For fire resistance in the wildland-urban interface, build new buildings to comply with the 2015 IWUIC.

The national-level BCRs aggregate study findings across natural hazards and across state and local BCRs. The Interim Study examined four specific natural hazards: riverine and coastal flooding, hurricanes, earthquakes and fires at the wildland-urban interface (WUI). Discussion of each hazard and the associated BCRs are provided in separate summaries.

All Stakeholders Benefit from Mitigation Investments

All major stakeholder groups, including developers, title holders, lenders, tenants and the community, enjoy net benefits from new design to exceed the code requirements studied. See Figure 2. All of society wins when builders make new buildings meet an IEMax level of design exceeding 2015 I-Code requirements where it makes financial sense, on a societal level, to do so. The benefits to tenants and owners only accrue to those who own or occupy buildings designed to exceed 2015 I-Code requirements, not for example to the people who live or work in buildings not designed to exceed I-Code requirements. However, even those who do not own or occupy those buildings enjoy a share of the community benefits.

Table 1. Benefit-Cost Ratio by Hazard and Mitigation Measure.

<table>
<thead>
<tr>
<th>Hazard</th>
<th>Federally Funded</th>
<th>Beyond Code Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Riverine Flood</td>
<td>7:1</td>
<td>5:1</td>
</tr>
<tr>
<td>Hurricane Surge</td>
<td>Too few grants</td>
<td>7:1</td>
</tr>
<tr>
<td>Wind</td>
<td>5:1</td>
<td>5:1</td>
</tr>
<tr>
<td>Earthquake</td>
<td>3:1</td>
<td>4:1</td>
</tr>
<tr>
<td>Wildland-Urban Interface Fire</td>
<td>3:1</td>
<td>4:1</td>
</tr>
</tbody>
</table>

Table 1. Benefit-Cost Ratio by Hazard and Mitigation Measure.

Figure 1. Total costs and benefits of new design to exceed 2015 I-Code requirements.

Figure 2. Stakeholder net benefits resulting from one year of constructing all new buildings to exceed select 2015 IBC and IRC requirements or to comply with 2015 IWUIC.
Appendix E

Discussion Drafts of Legislation

- Bill to prohibit the use of wireless telecommunications devices while operating a motor vehicle
- Bill to modify the Collateral Source Rule
2018 Regular Session

[HOUSE] [SENATE] BILL NO.

BY

MOTOR VEHICLES: Prohibits the use of wireless telecommunications devices while operating a motor vehicle

AN ACT

To enact R.S. 32:300.9 and to repeal R.S. 32:289, 289.1, 300.5, 300.6, 300.7 and 300.8, relative to the prohibition of the use of wireless telecommunications devices while driving; to provide for definitions; to provide for exceptions; to provide for penalties; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. The legislature finds that distracted driving due to the use of hand-held or portable electronic devices is a public safety emergency. According to the National Highway Traffic Safety Administration (NHTSA), distracted driving related motor vehicle crashes killed over 3,331 people and injured over 387,000 in 2016. Each day in the United States, motor vehicle crashes involving a distracted driver kill approximately nine people and injure more than 1,000. It is necessary in the exercise of the police power for the legislature to balance the inherent risk of motor vehicle transportation with benefits of the technology available to the motor vehicle operator. This legislation will save lives by prohibiting the hand held manipulation of cell phones and other devices while operating motor vehicles while allowing hands free use.

Section 2. R.S. 32:300.9 is hereby enacted to read as follows:

§300.9. Use of wireless telecommunications devices prohibited; exceptions

A. As used in this Section, the following terms shall have the meanings ascribed to them in this Section, unless the context clearly indicates a different meaning:

(1) “Use”, “uses”, or “using” means any of the following relative to a wireless telecommunications device:

(a) Holding such device in either or both hands.

(b) Using either a hand or finger to compose, send, read, view, access, browse, transmit, save, or retrieve email, text messages, instant messages, photographs, or other electronic data.

(c) Watching video.

(2) “Use”, “uses”, or “using” shall not include the minimal use of a finger to activate, deactivate, or initiate a function for hands free use of voice communications.

(3) "Wireless telecommunications device" means a cellular telephone, a text-
messaging device, a personal digital assistant, computer, laptop, notebook or notepad device, or any other substantially similar wireless device that is readily removable from the vehicle and is used to write, send, or read text or data through manual input.

(4) "Wireless telecommunications device" does not mean any permanent device or component of a motor vehicle, hands-free wireless telecommunications device that is physically or electronically integrated into the motor vehicle, citizens band radios, citizens band radio hybrids, commercial two-way radio communications devices, two-way radio transmitters or receivers used by licensees of the Federal Communication Commission in the Amateur Radio Service, or electronic communication devices with a push-to-talk function.

B. Except as provided in Subsection C of this Section, no person shall use any wireless telecommunications device while operating a motor vehicle upon any public road or highway.

C. The provisions of Subsection B of this Section shall not apply to a person while:

(1) Performing official duties as:

(a) A law enforcement officer.

(b) A firefighter.

(c) An operator of an authorized emergency vehicle.

(2) Doing any of the following:

(a) Reporting a traffic collision, medical or other emergency, serious road hazard, or a situation in which a person believes that someone is in jeopardy of injury or death.

(b) Navigating with a global positioning system.

(3) Remaining pulled over to the side of, or off, an active roadway in a safe, stationary location or lawfully parked.

(4) Communicating with a hospital, health clinic or the office of a physician, providing for the health care of an individual, or responding to a medical emergency, if a physician or other health care provider.

D. Any provision of Subsection C of this Section shall be an affirmative defense to a violation of this Section.

E. Except as provided in Subsection F of this Section, a violation of this Section shall be:

(1) A moving violation.

(2) Punishable by:

(a) A fine of not more than two hundred dollars for the first offense.
(b) A fine of not more than five hundred dollars and a suspension of driver's license for a sixty-day period for each subsequent offense.

(c) A fine of double the maximum fine imposed pursuant to either Subparagraph (a) or (b) of this Paragraph if a person is involved in a collision at the time of the violation, whether or not the violation is the legal cause of the collision in addition to any suspension imposed pursuant to Subparagraph (b) of this Paragraph.

F. For a school bus operator, a violation of this Section shall be a misdemeanor punishable by imprisonment for not more than ninety days in addition to or in lieu of the fines provided in Subsection E of this Section.

G. The law enforcement officer investigating a collision shall indicate on the written accident report whether a person operating a motor vehicle was using a wireless telecommunications device at the time of a collision regardless of whether any person involved in a collision received a citation for a violation of this Section.

Section 2. R.S. 32:289, 289.1, 300.5, 300.6, 300.7, and 300.8 are hereby repealed.

Section 3. This Act shall become effective on January 1, 2019.
2018 Regular Session

[HOUSE] [SENATE] BILL NO.

BY

LIABILITY/CIVIL: Provides for limitation of the “collateral source rule” in certain circumstances

AN ACT

To enact R.S. 9:xxxx; to provide for the definition of “collateral source”; to provide for the reduction of damages awards in proportion to collateral sources of indemnity; to provide for adjustments based on premiums paid for insurance; to provide for provide for reimbursement to collateral source providers; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 9:xxxx is hereby enacted to read as follows:

§xxxx. Collateral sources of indemnity

A. For purposes of this Section, “collateral source” means any payment made to or on behalf of or any reduction in price for services rendered to a claimant by or pursuant to:

(1) Any federal, state, or local income disability law or program.

(2) Any public programs providing medical expenses, disability payments, or other similar benefits, including Medicare and Medicaid.

(3) Any health and accident, sickness, or income disability insurance; automobile accident insurance that provides health benefits or income disability coverage; and any other similar insurance benefits, except life insurance benefits available to the claimant, whether purchased by the claimant or provided by others.

(4) Any contract or agreement of any natural or juridical person to provide, pay, or reimburse the costs of hospital, medical, dental, or other health care services.

(5) Any contractual or voluntary wage continuation plan provided by employers or by any other system intended to provide wages during a period of disability.

(6) Any workers’ compensation law, the Jones Act, the Longshore and Harbor Workers’ Compensation Act, or any similar law.

B. In any action for tort damages in which liability is either admitted or determined and in which damages are awarded to compensate the claimant for losses sustained, the court shall reduce the amount of such award by the total of all amounts which have been paid for the benefit of the claimant, or which are otherwise available to the claimant, from all collateral sources; however, there shall be no reduction for collateral sources for which a subrogation or reimbursement right
exists. Such reduction shall be offset to the extent of any amount paid, contributed, or forfeited by, or on behalf of, a claimant or members of a claimant’s immediate family to secure a claimant’s right to any collateral source benefit, which the claimant received as a result of the claimant’s injury.

C. In the event that the fees for legal services provided to the claimant are based on a percentage of the amount of money awarded to the claimant, such percentage shall be based on the net amount of the award as reduced by the amounts of collateral sources and as increased by insurance premiums paid for any collateral source.

D. A provider of a collateral source that has a right of subrogation or reimbursement that has complied with this Section shall have a right of reimbursement from a claimant to whom it has provided a collateral source if such claimant has recovered all or part of such collateral source from a tortfeasor. Such provider’s right of reimbursement shall be limited to the actual amount of collateral sources recovered by the claimant from a tortfeasor, minus its pro rata share of costs and attorney’s fees incurred by the claimant in recovering such collateral sources from the tortfeasor. In determining the provider’s pro rata share of those costs and attorney’s fees, the provider shall have deducted from its recovery a percentage amount equal to the percentage of the judgment or settlement which is for costs and attorney’s fees.

E. Any disputes between the claimant and the collateral source provider as to the actual amount of collateral sources recovered by the claimant from a tortfeasor shall be subject to determination by a court of competent jurisdiction. In determining the actual amount of collateral sources recovered, the court shall give consideration to any offset in the amount of settlement or judgment for any comparative negligence of the claimant, limitations in the amount of liability insurance coverage available to the tortfeasor, or any other mitigating factors that the court deems equitable and appropriate under the circumstances.

F. Unless otherwise provided for by law, claimants and collateral sources providers shall comply with the following:

(1) A claimant shall send the provider of any collateral sources, by certified or registered mail, notification of claimant’s intent to claim damages from the tortfeasor. If the claimant has filed suit against the tortfeasor at the time such notice is sent, a copy of the petition against the tortfeasor should be sent along with such notice. Such notice must include a statement that the provider of collateral sources will waive any right to subrogation or reimbursement unless it provides the claimant or claimant’s attorney a statement asserting payment of benefits and right of subrogation or reimbursement within thirty days following receipt of the claimant’s notification to the collateral source provider.

(2) Within thirty days after receipt of the claimant’s notification of intent to claim damages from the tortfeasor, the provider of collateral sources must provide the claimant or claimant’s attorney a statement asserting its payment of collateral
source benefits and right of subrogation or reimbursement. Failure of the provider of a collateral source to provide such statement to the claimant or claimant’s attorney within the thirty-day period shall result in waiver of any claim to subrogation or reimbursement by the provider with respect to any such collateral source. No right of subrogation or reimbursement shall exist for a provider of a collateral source that has waived its right of subrogation or reimbursement pursuant to this subsection.  

(3) Reimbursement of a collateral source provider pursuant to this Section shall satisfy such collateral source provider’s right of subrogation or reimbursement. The collateral source provider shall have no right of subrogation or reimbursement for collateral source payments made after the date of waiver, settlement, or judgment.  

(4) A collateral source provider claiming a right of subrogation or reimbursement under this section shall cooperate with the claimant by producing such information as is reasonably necessary for the claimant to prove the nature and extent of the value of the collateral sources provided. The failure of the collateral source provider to cooperate may be taken into account by the court in determining the right to or the amount of the reimbursement asserted.  

Section 2. This Act shall become effective on August 1, 2018.
REEDGROUP INTRODUCTION

ReedGroup’s History
- Founded four decades ago by Dr. Presley Reed
- Groundbreaking research on the *Effects of Returning People to Activity*

Research Findings
- Reduces rates of morbidity and mortality
- Reduces negative psychological, social, and economic effects
- Reduces costs for employers and insurers

ReedGroup Today
- Provides healthcare management services to 63 *Fortune 100* companies
- MDGuidelines is the world’s most trusted source of disability durations and practice guidelines.
MDGUIDELINES OVERVIEW

DISABILITY DURATION TABLES AND EVIDENCE-BASED PRACTICE GUIDELINES

- Used by hospitals, physicians, employers, government agencies, and insurers
- World-wide subscriber base (47 countries)
- Gold-standard Disability Duration Tables
- Predictive modeling capability
- Ability to benchmark outcomes against industry dataset
- Easy integration into point of care systems
- Integrated clinical content from ACOEM (American College of Occupational and Environmental Medicine)
MDGUIDELINES AND ACOEM

• In 2013, Reed Group purchased the ACOEM Practice Guidelines

• ACOEM University-based content research team remains intact unchanged

• ACOEM University-based content research team maintains its editorial independence

• ACOEM Practice Guidelines methodology continues to be rigorously maintained
KEY CONSIDERATIONS FOR ADOPTIONS

EVIDENCE-BASED PRACTICE GUIDELINES AND DRUG FORMULARIES

- EBM Guidelines / Formularies must support doctor/patient interactions
- Providers must drive treatment and drug prescriptions decisions
- EBM Guidelines / Formulary recommendations are only as good as the science and methodology on which they are developed
- EBM Guidelines development must be in alignment with IOM Standards for Developing Trustworthy Clinical Practice Guidelines
FORMULARY: PURPOSE AND PRINCIPLES

Evidence-based formulary for workers’ compensation treatment

Use the strength of the ACOEM Occupational Medicine Practice Guidelines

State of the art guidance:
- Physicians
- Injured Workers
- Claims Professionals
- Legal and Regulatory Community
- All other stakeholders in WC Treatment
FORMULARY: DEVELOPMENT TEAM

ROBERT GOLDBERG, MD
Project Leader
Chief Medical Officer

CHERYL ELTON, PHARMD, Lead Pharmacist

REGINA MEARS, MS, RPH

BRITTEN FEATHERSTON, PHARMD
FORMULARY: EXTERNAL REVIEWERS

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  Liberty Mutual

- BERNYCE PEPLOWSKI, DO, Consultant
  Loma Linda University

- MARCOS IGLESIAS, MD
  Broadspire

- MELISSA BURKE, PHARMD
  Travelers

- ADAM SEIDNER, MD
  Travelers

- KURT HEGMANN, MD
  ACOEM, University of Utah

MDGuidelines: The Measure of Health
FORMULARY: METHODOLOGY

- Specific Conditions by body part
- ICD9/10 codes attached
- Phase of treatment - acute and chronic
- ACOEM Recommendations:
  - Recommended
  - Not recommended
  - No recommendation - insufficient evidence
- National cost data for relative comparisons
## FORMULARY: STRENGTHS AND DIFFERENCES

<table>
<thead>
<tr>
<th>Feature</th>
<th>ACOEM</th>
<th>OTHER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Condition appropriate drug recommendations</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Drug recommendations specific to Phase of Care (Acute or Chronic)</td>
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<td>X</td>
</tr>
<tr>
<td>List of preferred and non-preferred drugs</td>
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<td>X</td>
</tr>
<tr>
<td>Visibility to Strength of Evidence Rating for prescriber confidence</td>
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<td>X</td>
</tr>
<tr>
<td>Nationally recognized and adopted for workers’ compensation in multiple States</td>
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<tr>
<td>Comments for Prescribers and Claims Professionals for improved clinical decision-making</td>
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</tr>
<tr>
<td>Recommendations are based on trustworthy evidence-based medicine treatment guidelines</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Clear link to evidence-based medicine treatment guidelines</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Founded on transparent literature review and guidelines development process</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Pharmacy and medical expertise are combined</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>
## FORMULARY: VIEW

### Search by Condition

**Category:** Ankle and Foot Disorders

**Condition:** Ankle Sprain

- I have read and accepted the Terms of Use

### Search by Drug

<table>
<thead>
<tr>
<th>Phase</th>
<th>Pain Classification</th>
<th>Drug Class</th>
<th>Generic (Brand)</th>
<th>Evidence Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acute</td>
<td>No pain classification</td>
<td>ANALGESICS - ANTI-INFLAMMATORY</td>
<td>CELECOXIB (Celebrex)</td>
<td>Yes, Strong Evidence (A)</td>
</tr>
<tr>
<td>Chronic</td>
<td>No pain classification</td>
<td>ANALGESICS - ANTI-INFLAMMATORY</td>
<td>CELECOXIB (Celebrex)</td>
<td>Yes, Insufficient Evidence (I)</td>
</tr>
<tr>
<td>Acute</td>
<td>No pain classification</td>
<td>ANALGESICS - ANTI-INFLAMMATORY</td>
<td>DICLOFENAC POTASSIUM (Cataflam, Voltaren)</td>
<td>Yes, Strong Evidence (A)</td>
</tr>
<tr>
<td>Chronic</td>
<td>Post-operative, Subacute</td>
<td>ANALGESICS - ANTI-INFLAMMATORY</td>
<td>DICLOFENAC POTASSIUM (Cataflam, Voltaren)</td>
<td>Yes, Insufficient Evidence (I)</td>
</tr>
</tbody>
</table>
### HYDROCODONE/IBUPROFEN (Vicoprofen)

**Class:** ANALGESICS - OPIOID

**Avg. Estimated Cost:** $3.13

<table>
<thead>
<tr>
<th>Category</th>
<th>Condition</th>
<th>Phase</th>
<th>Pain Classification</th>
<th>Evidence Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>Low Back</td>
<td>Acute</td>
<td>Mild to Moderate</td>
<td>No, Strong Evidence (A)</td>
</tr>
</tbody>
</table>

**Comments for Prescriber:**
Not recommended for treatment of non-severe, acute pain (e.g., low back pain, sprains, or minor injury without signs of tissue damage).
NSAIDs can increase the risk of heart attack or stroke in patients with or without heart disease or risk factors for heart disease. Risk may be increased with higher doses and increased duration.

**Comments for Claims Professional:**
Not recommended for treatment of non-severe, acute pain (e.g., low back pain, sprains, or minor injury without signs of tissue damage).

**ICD-9**
720.2, 720.9, 721.90, 722.10, 722.11, 722.2, 724.00, 724.02, 724.03, 724.09, 724.2, 724.4, 724.5, 724.9, 756.10, 756.11, 756.12

**ICD-10**

**References:**

MDGuidelines: The Measure of Health
QUESTIONS

Carlos Luna
Director, Government Affairs
ReedGroup, Ltd.
cluna@reedgroup.com
(303) 407-0682
Appendix G

Uber and Autonomous Technology

- Presentation by Brad Nail, Insurance Policy Manager, Uber, on autonomous vehicles and insurance issues.
Developments In Ridesharing and Autonomous Technologies
More than 1,200,000,000 cars in the world
Cars sit idle 95% of the time.
22% of all carbon emissions come from transportation.
The number of traffic deaths in Louisiana each year is equal to three 757s crashing and killing all occupants.
10% of millennial Uber riders in the U.S. say they have either given up a car or not bought one.
## Levels Of Autonomy

<table>
<thead>
<tr>
<th>SAE level</th>
<th>Name</th>
<th>Narrative Definition</th>
<th>Execution of Steering and Acceleration/Deceleration</th>
<th>Monitoring of Driving Environment</th>
<th>Fallback Performance of Dynamic Driving Task</th>
<th>System Capability (Driving Modes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>No Automation</td>
<td>the full-time performance by the human driver of all aspects of the dynamic driving task, even when enhanced by warning or intervention systems</td>
<td>Human driver</td>
<td>Human driver</td>
<td>Human driver</td>
<td>n/a</td>
</tr>
<tr>
<td>1</td>
<td>Driver Assistance</td>
<td>the driving mode-specific execution by a driver assistance system of either steering or acceleration/deceleration using information about the driving environment and with the expectation that the human driver perform all remaining aspects of the dynamic driving task</td>
<td>Human driver and system</td>
<td>Human driver</td>
<td>Human driver</td>
<td>Some driving modes</td>
</tr>
<tr>
<td>2</td>
<td>Partial Automation</td>
<td>the driving mode-specific execution by one or more driver assistance systems of both steering and acceleration/deceleration using information about the driving environment and with the expectation that the human driver perform all remaining aspects of the dynamic driving task</td>
<td>System</td>
<td>Human driver</td>
<td>Human driver</td>
<td>Some driving modes</td>
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</tbody>
</table>
## Levels Of Autonomy

<table>
<thead>
<tr>
<th>SAE level</th>
<th>Name</th>
<th>Narrative Definition</th>
<th>Execution of Steering and Acceleration/Deceleration</th>
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<th>Fallback Performance of Dynamic Driving Task</th>
<th>System Capability (Driving Modes)</th>
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<tr>
<td>3</td>
<td>Conditional Automation</td>
<td>the driving mode-specific performance by an automated driving system of all aspects of the dynamic driving task with the expectation that the human driver will respond appropriately to a request to intervene</td>
<td>System</td>
<td>System</td>
<td>Human driver</td>
<td>Some driving modes</td>
</tr>
<tr>
<td>4</td>
<td>High Automation</td>
<td>the driving mode-specific performance by an automated driving system of all aspects of the dynamic driving task, even if a human driver does not respond appropriately to a request to intervene</td>
<td>System</td>
<td>System</td>
<td>System</td>
<td>Some driving modes</td>
</tr>
<tr>
<td>5</td>
<td>Full Automation</td>
<td>the full-time performance by an automated driving system of all aspects of the dynamic driving task under all roadway and environmental conditions that can be managed by a human driver</td>
<td>System</td>
<td>System</td>
<td>System</td>
<td>All driving modes</td>
</tr>
</tbody>
</table>
Regulatory Considerations

Cause of action for crashes

Level of autonomy

Testing vs. deployment

Personal ownership vs. fleet ownership

Cars vs. Trucks

Risk profile - basis of minimum limit determination

Lack of actuarial data