



Louisiana Department of Insurance

LOUISIANA PROPERTY & CASUALTY INSURANCE COMMISSION



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Commissioner of Insurance

MONTHLY REPORT

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Recently Enacted P&C Legislation

The following bills were enacted into law during the recent Legislative Session and specifically affect property and casualty insurance:

- **Act 21 - HB 9** - Provides for liability for damages caused by an excluded driver. When a designated excluded driver is operating a vehicle with the policy owner's express permission, the driver and policy owner are solidarily liable for damages otherwise payable under the vehicle liability insurance policy, as further defined. When the driver has been properly excluded on the liability policy, the insurer is freed from any obligation to pay damages or provide lawsuit defense.
- **Act 91 - HB 820** - Clarifies that the valued policy clause provisions apply to all policies providing fire coverage.
- **Act 114 - SB 181** - Provides with respect to the Louisiana Citizens Property Insurance Corporation policy take-out program in regard to rates.
- **Act 117 - SB 254** - Provides for regulation of travel insurance, and for written information provided to purchasers of travel insurance.
- **Act 223 - HB 1149** - Adds a representative of the National Association of Mutual Insurance Companies to the Louisiana Property and Casualty Insurance Commission.
- **Act 353 - HB 1060** - Provides relative to homeowners' insurance, as it pertains to insurer cancellation and non-renewal and insurer withdrawal from the state's homeowners' market.
- **Act 359 - HB 1169** - Provides with respect to insurance premium finance companies, as pertains to notice of cancellation to the insured by out-of-state companies {La. R.S. 9:3550}.
- **Act 427 - HB 909** - Provides for the Property Insurance Clarity Act, to allow for the collection from homeowner insurers for compilation and publication by the Insurance Commissioner of direct incurred loss and earned premium data by zip code which may provide consumers with a better general understanding of local homeowner insurance rates.
- **Act 430 - HB 1089** - Provides that the contingent automobile liability policy required of rental motor vehicle dealers may be obtained from surplus lines insurers.
- **Act 844 - HB 1195** - Provides that failure by an admitted insurer to provide notice when its insurance policy contains defense costs within the limit of liability is an unfair trade practice.
- **Act 846 - HB 1207** - Provides references in the Public Records Law to exemptions applicable to certain records relative to insurance, specifically La. R.S. 22:1464 (pertaining to rate filings) and 22:2293 (pertaining to Louisiana Citizens Property Insurance Corporation).
- **Act 855 - SB 135** - Provides relative to home service contracts.

Commissioner Donelon Urges Potential Rideshare Drivers to Review Auto Insurance Coverage before Signing on

Louisiana's Commissioner of Insurance Jim Donelon is joining a number of other states in issuing a consumer alert to potential drivers of new transportation network companies (TNCs) or rideshare services. These companies offer mobile applications (apps) that give passengers access to transportation services that are provided by people who register to serve as drivers for these networks.

The drivers who are hired to participate in TNCs are using their personal cars to transport passengers. The companies regard the hired drivers as third party transportation providers or vehicle operators.

Commissioner Donelon is advising individuals to do their homework before signing on to serve as drivers with a transportation network. "Drivers should review their policies and talk with their agents regarding their participation in such programs prior

to signing up.” said Commissioner Donelon. “Virtually all personal auto insurance policies exclude coverage when personal vehicles are used to give rides for fees.”

Whether consumers are the passengers of or the drivers for a TNC, Commissioner Donelon advises them to be aware of potential gaps in insurance coverage. For instance a potential driver may want to contact their insurance company and inquire about a commercial insurance policy. Potential drivers should verify the type of liability coverage they must have and the type of liability coverage that is already in place for the benefit of all parties who might sustain damages and injuries from accidents that occur while engaged in the use of the transportation services.

* * *

The introduction of TNCs (like Uber, Lyft, and Sidecar) has been much discussed and at times controversial as they have entered or attempted to establish themselves in various states and municipalities, including Baton Rouge and New Orleans. In execution of its responsibilities, the Louisiana Property and Casualty Insurance Commission plans to examine the topic of TNC ridesharing services and related insurance issues at a meeting this fall.

Report Reveals LA Ranks High Risk for Pedestrians

While we are riding along in our automobiles, we probably do not give them a lot of thought - pedestrians. However, they are out there too, walking or jogging along the roadside or trying to cross the very same streets we are cruising. According to a recent study, being a pedestrian in Louisiana is more dangerous than in almost every other state.

Smart Growth America (SGA) in its report “Dangerous by Design 2014” examined pedestrian fatalities for the decade 2003 to 2012 - a total of 47,025 or 12.3% of the total traffic deaths in our nation during this period. Using the most recent five years of data, SGA ranked the risk of a person on foot being killed by a vehicle in major metropolitan areas and in states based upon a Pedestrian Danger Index (PDI), the rate of pedestrian deaths relative to the number of people who walk to work in the particular region.

The New Orleans-Metairie-Kenner area’s 272 deaths for the decade and a PDI of 84.90 caused it to be ranked 22 among 51 large metro areas. Louisiana’s 1,030 pedestrian fatalities represented 11.9% of the total traffic fatalities in the state for the decade, but its PDI of 116.6 ranked it third highest among the states behind Florida (168.6) and Alabama (125.2). The national average PDI was 52.2.

The SGA report includes additional assessments of the demographics of the pedestrian fatalities, recommendations for improved safety, and examples of successful efforts. SGA recognizes that the nation’s streets and highway have been designed to swiftly move vehicular traffic and, therefore, the need for improved designs to safely accommodate bicyclists and pedestrians as well, particularly in urban communities.

To implement improved designs for the mutual safety of motorists, transit users, bicyclists and pedestrians into Louisiana’s highway projects, Act 470 of the 2014 Legislative Session requires the state Department of Transportation and Development to adopt a “Complete Streets Policy” and establish an associated Advisory Council.

Reducing Speed Limits to Reduce Injuries and Deaths

In recent weeks legislation has been passed that will reduce speed limits in Baton Rouge and New York City from 30 mph to 25 mph. In both cases part of the motivation is to increase pedestrian safety. In Baton Rouge the Metro Council passed an ordinance that will affect 1,500 miles of residential streets, with the exception of Central, Baker and Zachary, and will take effect street by street as speed limit signs are replaced - a process expected to take two years to complete. In New York the state legislature passed a bill expected to be signed by their governor that will allow New York City to reduce its default speed limit from 30 mph to 25 mph. NYC’s mayor considers lowering the speed limit a key component in his Vision Zero plan to reduce the rising number of pedestrian deaths and eventually eliminate all traffic fatalities.

According to a memo by the New York bill’s sponsor, lowering the speed limit from 30 mph to 25 mph reduces the chance that a pedestrian injured in a traffic accident will die from 20% to 10%. For both Baton Rouge and NYC the question remains whether a reduction in the legal speed limit will be followed with driver compliance.

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