



# 2024 LEGISLATIVE SESSION


By: Jeff & Ben Albright

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## A new political landscape

- 37 new legislators
- New speaker of the House – Phillip Devillier
- New President of the Senate – Cameron Henry
- New legislative committees
- New Insurance Commissioner – Tim Temple
- New Governor – Jeff Landry

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## The Outset

- Temple and Landry taskforces
- A list of priorities
- Coalition building
- Strong majorities on both sides
- Tight committees
- Where is the governor?

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## Two sets of priorities

### Property reform

- Commissioner Temple takes the lead
- The governor gets on board
- Consensus in the legislature

### Auto/Tort reform

- LABI in the driver's seat
- Broad coalition
- The governor conspicuously silent
- Pressure in both houses, but with dissent
- Plaintiff's bar flexes their muscles

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# THE PROPERTY BILLS

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## SB 323

- Authored by Senate Insurance Chair Kirk Talbot (River Ridge)
- Addresses good faith and fair dealing standards in the claims process
- Compromise bill with the plaintiff's attorneys
- Reforms the bad faith statutes without reducing penalties
  - Combines 2 statutes
  - "Written proof" of loss
  - Cure period
  - Time frames



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## **HB 611**

- Authored by House Insurance Chair Gabe Firment (Pollock)
- 3-year rule reform (NOT A REPEAL)
- Grandfather – rule does not apply to new policies after 8/1/2024
- Insurers can change deductibles on 3-year policies
- Insurers can nonrenew up to 5% of 3-year policies per year
  - Commissioner Temple establishing per parish limit of 5%



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## **SB 295**

- Authored by Senator Heather Cloud (Turkey Creek)
- File and use rating
- Does NOT eliminate the department's authority to review and disapprove rates if not actuarially justified
- Facilitates a faster process for rate approvals
- Helps eliminate speed-to-market problems



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## HB 120

- Authored by Representative Matthew Willard (New Orleans)
- Eliminates the sunset of the Fortified Homes Grant Program
- Does NOT provide a funding source
  - 1-year funding of \$20 Million was provided in the budget
  - We expect a recurring funding source in next year's "fiscal" session



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## HB 609

- Authored by House Insurance Chair Gabe Firment (Pollock)
- Provides for licensing & regulation of appraisers and umpires
  - Minimum qualifications
  - Conflict of interest provisions
  - Department will keep a list of registered appraisers/umpires
- Provides for a process to ensure an unbiased appraisal



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## **SB 113**

- Authored by Senate Insurance Chair Kirk Talbot (River Ridge)
- Exempts LA Citizens from certain bad faith penalties
- Limits bad faith penalties to policy limits for LA Citizens policies
  - This does not include attorney's fees which can be in addition to the limit
- Suspends the 10% surcharge above the private market for 3 years



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## **HB 520**

- Authored by House Insurance Chair Gabe Firmont (Pollock)
- Creates new deceptive trade practices regarding claim adjuster's reports
- Insurers are already required to supply the claim file within 14 days of a written request from an insured
- Clarifies that this claim file **MUST** include the original field adjuster's report and document changes



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## **SB 484**

- Authored by Senator Royce Duplessis (New Orleans)
- Transparency around Fortified discounts
- Requires the department to commission an actuarial survey and publish the findings
- LDI must publish a list of approved Fortified discounts



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# THE AUTO / TORT BILLS

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## HB 423

- Authored by Representative Michael Melerine (Shreveport)
- Reforms the collateral source rule
- Bill was significantly watered down in Senate Jud A
- Takes collateral source payments from 40% to 30%
- Makes paid amounts discoverable
- Opposed by plaintiff bar and some medical providers
- Vetoed by Governor Landry on June 18, 2024



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## Governor Landry's Press Conference

- Press conference to veto tort reform
- Clearly sides with plaintiff attorneys
- Negative comments about insurers
- False claims on insurer profits
- Industry results tell a different story



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### Auto Insurance Affordability Cost Drivers: How Louisiana Compares



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“While Gov. Landry could have provided a lifeline for all Louisianans currently drowning in an unaffordable market, he instead chose to stand with the trial bar and the status quo while businesses and citizens across this state scramble to pay yet another year of unsustainable premiums.”

-Will Green (LABI)

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“I’m asking Governor Landry, Senate President Henry and House Speaker DeVillier to call a special session so we can work together to pass legislation including changes to the collateral source rule and the Housley presumption.”

-Commissioner Temple

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“We have to keep working on this issue and we will. During the interim, the legislature will collaborate with the parties involved to negotiate and draft a bill that we can introduce and pass next session.”

-Senate President Cameron Henry

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“We will continue to work with the Senate and the Governor to enact meaningful insurance reforms that will address the rising cost of insurance for the citizens of this state.”

-Speaker of the House Phillip DeVillier

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“I look forward to being able to work with everyone to help improve the litigation climate in Louisiana.”

-Senate Jud A Chairman Greg Miller

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## **SB 355**

- Authored by Senator Jeremy Stine (Lake Charles)
- Ghostwritten by Representative Emily Chenevert (Baton Rouge) – HB 336
- Disclosure of third-party litigation financing
- Partially based on a US Chamber of Commerce model
- Foreign third-party funders must disclose certain information to the attorney general
- All third-party litigation funding is discoverable



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## HB 315

- Authored by Speaker Pro Temp Mike Johnson (Pineville)
- Extends tort prescription from 1 to 2 years
- Brought at the request of Governor Landry
  - The ONLY tort bill on the governor's agenda
- Opposed by the insurance and business communities
- Governor opposed all amendments and alternate bills to provide guardrails on inflated medical expenses
- Without collateral source reform extended prescription may further inflate medical expense claims



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## HB 337

- Authored by Representative Jack McFarland (Jonesboro)
- Severely restricts direct action against insurers
- Brings Louisiana in line with 47 other states
- Important step to attracting new insurers



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## **SB 84**

- Authored by Senator Alan Seabaugh (Many)
- Reforms the offer of judgement rules
- Closes a loophole in the law when the defense wins or ties
- Important to encourage insurers to pursue zero judgements



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## **HB 24**

- Authored by Representative Michael Melerine (Shreveport)
- Repeals the “Housely presumption”
- Current case law assumes that any injury is caused by the accident in litigation
- Lawsuits should start on neutral ground - plaintiff must prove cause of injury



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# OTHER BILLS

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## HB 511

- Authored by Representative “Big” John Ilg (Harahan)
- Brought at the request of IIABL
- Requires insurers to verify and maintain UM selection forms
  - Prohibits companies from delegating that responsibility to agents
  - Agents can still be required to collect the form



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## **SB 499**

- Authored by Senator Mike Reese (Leesville)
- Brought at the request of LDI
- Exempts commercial lines from UM selection form requirement
- On personal auto, provides a defense in certain circumstances
  - If the form is signed but improperly completed, and
  - The defense can prove that the insured intended to reject or select lower coverage



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## **HB 375**

- Authored by Representative Mandie Landry (New Orleans)
- Requires insurers to disclose all available discounts on Homeowners and Personal Auto policies at the time of delivery of the policy
  - Disclosure can be either electronic or in policy documents
  - Does not apply to E&S insurers
  - Applies to insurers not agents
- Not effective until May, 2025



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## HB 144

- Authored by Representative Brian Glorioso (Slidell)
- Insurers may NOT include the value of land in the TIV of a Homeowner's policy
- Should already be standard industry practice
- May help with lenders who are asking for unreasonable TIV requirements



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## How Did we Do?

- Strong success on property insurance reform
- Largely unsuccessful on auto/tort reform
  - Direct action was a real win
  - The other reforms were watered down to be marginal
- Successful except when fighting the plaintiff's bar

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## What does this mean going forward

- Hope for new property market capacity
- What happens to auto rates?
- What is the future of tort reform?

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