

House Committee on Civil Law and Procedure

Minutes of Meeting
2024 - 2025 Interim
September 6, 2024

I. CALL TO ORDER

Representative Nicholas Muscarello, Jr., chair of the House Committee on Civil Law and Procedure, called the meeting to order at 9:10 a.m. in Room 6, in the state capitol in Baton Rouge, Louisiana.

II. ROLL CALL

MEMBERS PRESENT:

Representative Nicholas Muscarello, Jr., chair
Representative Chad Brown
Representative Josh Carlson
Representative Emily Chenevert
Representative Peter F. Egan, Sr.
Representative Brian Leonard Glorioso
Representative Michael T. Johnson
Representative Ed Larvadain, III
Representative Michael Melerine
Representative Christopher Turner, vice chair
Representative Lauren Ventrella
Representative John E. Wyble

MEMBERS ABSENT:

Representative Wilford Dan Carter, Sr.
Representative Kathy Edmonston
Representative Sylvia Elaine Taylor
Representative Mark Wright

STAFF MEMBERS PRESENT:

Allison Alonzo, attorney
Jennifer Nguyen, attorney
Stephanie Weinman, committee administrative assistant
Andrea Jerezano, committee administrative assistant

ADDITIONAL ATTENDEES PRESENT:

Rebecca Marshall, sergeant at arms

III. BUSINESS

Representative Muscarello stated that the purpose of the meeting is to offer data driven solutions to address the insurance rate crisis.

Robert Hartwig, Ph.D., American Property Casualty Insurance Association, 8700 West Bryn Mawr, Chicago, IL 60631, a professor of finance risk management and insurance at the University of South Carolina Darla Moore School of Business, spoke for information only and presented a PowerPoint presentation entitled "Trends in Underlying Cost Factors in Private Passenger Auto Insurance, Legal System Influences", Exhibit A, which is included in the committee records. Dr. Hartwig discussed the following issues: claim cost drivers in Louisiana; overview of claim frequency and severity trends in Louisiana; inflation; storm/disaster damage to vehicles; deteriorating driver behaviors; insurer advertising; and attorney advertising.

Dr. Hartwig answered questions from the committee members regarding specific data points included in his presentation.

Representative Glorioso and Dr. Hartwig discussed the data presented regarding deaths per one hundred million vehicle miles driven, highway death claims in Louisiana, and Louisiana's tort environment.

Representative Muscarello and Dr. Hartwig discussed how the issue of perception affects auto rates.

Representative Wyble and Dr. Hartwig discussed the costs of new and used automobiles, the costs and time of vehicle repairs, and how those costs affect insurance rates. Representative Wyble and Dr. Hartwig also discussed strategies to make Louisiana competitive, advertising costs, enforcement issues, acceptable medical fee schedules, Louisiana's collateral source rule, and highway capacity and infrastructure.

Representative Carlson and Dr. Hartwig discussed the possible comparisons as to why Louisiana has historically been above average in automobile premiums and the tort fee schedules in other states.

Representative Brown and Dr. Hartwig discussed the perception of Louisiana as a "judicial hell hole", due to its reputation for overly litigious practices and inclusion in the American Tort Reform Foundation annual list of "Judicial Hellholes", and the issue of excessive tort costs. Representative Brown also commented on insurance advertising and attorney advertising.

Representative Muscarello and Dr. Hartwig discussed whether an 18-wheeler from Florida involved in an accident in Louisiana affects Louisiana rates.

Representative Egan and Dr. Hartwig discussed under-evaluating the impact of uninsured drivers in Louisiana and the severity of Louisiana property damage liability.

Representatives Glorioso and Muscarello and Dr. Hartwig discussed whether insurance claims exceeding insurance reserves factors into the rates.

Representative Larvadain and Dr. Hartwig discussed the effects on rates of minimum coverage limits, infrastructure, and time and costs of repairs.

Representative Ventrella and Dr. Hartwig discussed the delay of filing and paying claims. Dr. Hartwig suggested that educational efforts for insureds could help slow the litigious nature of claims.

Representative Muscarello distributed handouts entitled "Insurance Industry Advertising (2023)", Exhibit B, and "Insurance Company Advertising - How much does it cost you?", Exhibit C, which are included in the committee records.

In response to Representative Muscarello, Dr. Hartwig discussed the minimal effect on rates regarding advertising prohibitions.

Robert E. Kleinpeter, Louisiana Association for Justice, 442 Europe Street, Baton Rouge, LA 70802, spoke for information only on fee schedules for doctors, property repair costs, and minimum coverage versus full coverage policies.

In response to questions from Representative Carlson, Mr. Kleinpeter suggested that, in his opinion, the legislature could do the following to have an impact on auto rates in Louisiana: alleviate poverty among citizens; improve safety of roads and enforcement; eliminate the surcharge on lapses of coverage; and prohibit use of gender in rates.

Representative Ventrella and Mr. Kleinpeter discussed general damages claims and increasing minimum compulsory liability coverage.

Representative Muscarello introduced a handout, Exhibit D, which is included in the committee records. Allison Alonzo, staff attorney, discussed the research on "loser pays", and Jennifer Nguyen, staff attorney, discussed the research on "comparative fault/contributory negligence" in the handout.

Curry Landry, Louisiana Ambulance Alliance, 301 Main Street, Suite 600, Baton Rouge, LA 70801, spoke for information only and discussed a handout entitled "Highest and Lowest Average Price for Ambulance Service with Advance Life Support", Exhibit E, which is included in the committee records.

In response to Representative Muscarello, Mr. Landry stated that the cost of ambulance services in Louisiana is consistent with the national average.

Representatives M. Johnson, Melerine, and Muscarello discussed with Mr. Landry the determination as to the industry standard regarding the responsibility for billing ambulance services.

Representatives Melerine and Ventrella suggested requiring an ambulance service to submit a bill to the health insurance provider.

Representatives Egan and Muscarello discussed subrogation letters sent out by insurers to determine if injuries were a result of a traffic accident.

Witness cards submitted by individuals who did not speak are as follows: 1 for information only. Witness cards are included in the committee records.

IV. ANNOUNCEMENTS

There were no announcements.

V. ADJOURNMENT

The meeting was adjourned at 11:56 a.m.

Respectfully submitted,

Chair Nicholas Muscarello, Jr.
House Committee on Civil Law and Procedure