



LOUISIANA DEPARTMENT OF INSURANCE
JAMES J. DONELON
COMMISSIONER

**ADVISORY LETTER 2017-02
(REVISED AND REISSUED)**

TO: ALL AUTOMOBILE INSURERS AUTHORIZED TO DO BUSINESS IN LOUISIANA

FROM: JAMES J. DONELON, COMMISSIONER OF INSURANCE

RE: STATUTORY REQUIREMENTS FOR GRANTING DEFENSIVE DRIVER DISCOUNTS ON AUTOMOBILE INSURANCE POLICY PREMIUMS

DATE: OCTOBER 18, 2023

Advisory Letter 2017-02 was originally issued on September 27, 2017 to advise all automobile insurers authorized to do business in Louisiana of the requirements that must be met before an insurer may discount automobile insurance premiums pursuant La. R.S. 22:1457(A)(1) and (2). Advisory Letter 2017-02 is being amended to update contact information.

La. R.S. 22:1457(A)(1) states:

A rate reduction of up to ten percent shall be authorized by the commissioner, if actuarially justified, upon application of a rate filing by the carrier on motor vehicle liability and physical damage insurance where the insured and principal operator, regardless of age, produces certification from the National Safety Council or its registered cooperating agencies, evidencing successful completion of the National Safety Council Defensive Driving Course or certification of successful completion of a defensive driving course approved and certified by the Department of Public Safety and Corrections.

Additionally, "Should an automobile be used by multiple drivers, the rate reduction shall not be authorized on that automobile unless all those who drive the automobile complete such a course successfully."¹ Also, "The reduction provided for in this Section shall also be authorized for one or more motor vehicles owned and operated by parishes, municipalities, or other political subdivisions when the governing authority produces certification evidencing successful completion of such a course by all persons who drive said vehicles."²

¹ La. R.S. 1457(A)(1)

² Id.

Furthermore, La. R.S. 22:1457(A)(2) grants the Commissioner of Insurance the authority to determine the form of certification. The Commissioner has determined that the acceptable form by which a discount can be granted is the insured's submission to an automobile insurer of their certification of completion of either the National Safety Council Defensive Driving Course or a defensive driving course approved and certified by the Department of Public Safety and Corrections.

La. R.S. 22:1457(A)(2) sets forth specific instances where a discount is not permitted. The statute dictates that:

Credit shall not apply to experience-rated or assigned risk policies, or to policies subject to a discount for an approved driver education course sanctioned by the Department of Public Safety and Corrections, public safety services, or required to pay a substandard risk surcharge for such insurance, or to any person whose enrollment in a defensive driving course resulted from a court order or sentence directing such enrollment.

All automobile insurers are expected to conduct themselves, accordingly, bringing their business practices into compliance with the purpose and intent of Advisory Letter 2017-02 (Revised and Reissued).

If there are any questions or concerns regarding Advisory Letter 2017-02 (Revised and Reissued), please contact the Deputy Commissioner for the Office of Property and Casualty at (225) 342-5203 or electronically at public@ldi.la.gov.

Baton Rouge, Louisiana this 18th day of October 2023.


JAMES J. DONELON
COMMISSIONER OF INSURANCE