



LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON
COMMISSIONER

DIRECTIVE 137 (REVISED & REISSUED)

**TO: ALL PROPERTY & CASUALTY INSURERS WRITING PERSONAL LINES
COVERAGE IN LOUISIANA**

FROM: JAMES J. DONELON, COMMISSIONER OF INSURANCE

RE: WITHDRAWAL OF ABSOLUTE TOTAL POLLUTION EXCLUSION

DATE: JULY 28, 2020

Acts 2008, No.415, § 1, effective January 1, 2009, redesignated the provisions of Title 22, formerly comprised of La. R.S. 22:1 to 22:3311, into a new format and numbering scheme comprised of La. R.S. 22:1 to 22:2371, without changing the substance of the provisions. Directive 137 is being amended to update the cited statutory provisions.

The Louisiana Department of Insurance (LDI) undertook a review of absolute and total pollution exclusions in all personal lines liability insurance and concluded that the use of such exclusions is inappropriate for those types of coverages. Personal lines insurance includes but is not limited to, homeowners liability, personal automobile liability, personal watercraft liability, and personal umbrella and excess liability insurance.

Insurers shall not include an Absolute or Total Pollution Exclusion provision in any personal lines liability insurance policy form or endorsement submitted for approval pursuant to La. R.S. 22:861.

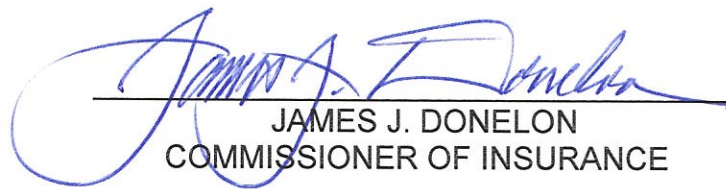
The LDI will consider for approval a pollution exclusion limited to government-imposed clean-up costs. The LDI will also consider for approval limitations or exclusions narrowly drafted to limit or exclude particular hazards or classes of risks. However, such an exclusion in a policy form or endorsement will not be approved for use on a blanket basis. Any such filings must be accompanied by a rate filing either adjusting rates or explaining why an adjustment is unnecessary. Furthermore, an insurer issuing a policy with such an exclusion must provide a notice on the front of the policy form or signature line for the policyholder on the application or on the endorsement acknowledging the exclusion.

Directive 137 (REVISED & REISSUED)
July 28, 2020
Page 2 of 2

If there are any questions regarding this Directive, please contact the Deputy Commissioner for the Office of Property and Casualty, electronically at public@ldi.la.gov.

Please be governed accordingly.

Baton Rouge, Louisiana this 28th day of July, 2020.



JAMES J. DONELON
COMMISSIONER OF INSURANCE