



LOUISIANA DEPARTMENT OF INSURANCE

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COMMISSIONER

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RE: 2025 Legislative Session Recap

The 2025 Regular Session of the Louisiana Legislature ended on June 12, and addressing the high cost of insurance was once again a major emphasis. My team and I spent the past year, including actively participating in 14 auto insurance-focused committee hearings, working with legislators to draft and support a comprehensive package of legislation aimed at reducing the cost drivers in our insurance system and improving insurance regulation in Louisiana.

Insurance & Legal Reform

Louisiana passed a significant package of legal reform bills this session. Of the 20 insurance and legal reform bills I supported at the beginning of session, three have been signed into law:

- Act 15 (HB 431) by Rep. Emily Chenevert transitions Louisiana from a pure to modified comparative fault system, which limits the ability for the person who is mostly at fault for an accident to recover damages from the other party.
- Act 18 (HB 450) by Rep. Michael Melerine reverses the presumption that a plaintiff's injuries resulted from a car accident.
- Act 85 (HB 438) by Rep. Gabe Firment prevents insurers from including institutional advertising expenses in their ratemaking.

Five of the 20 bills have been sent to the governor and are awaiting his decision:

- HB 280 by Rep. Melerine clarifies an issue in workers' compensation insurance having to do with information found during payroll audits.
- HB 437 by Rep. Firment provides for clearer proof of loss requirements that can help simplify the claims process and, if necessary, the legal process. HB 437 also creates stiffer penalties for insurers that do not provide rental car benefits in timely manner.
- HB 519 by Rep. Brian Glorioso generally prohibits, as a secondary offense, holding and using a cell phone while driving to make phone calls, text or otherwise use the device.
- HB 635 by Rep. Dennis Bamurg modernizes Louisiana's captive insurer law.
- SB 136 by Sen. Kirk Talbot requires homeowners and private passenger auto insurers to provide rate transparency reports to consumers when offering a policy.

While it is true that the Legislature passed many good bills this year, I am disappointed by the Senate's rejection of the other 12 bills I supported this session—10 of which failed to pass the Senate Judiciary A Committee. These bills would have meaningfully addressed needed legal reforms including medical billing transparency, a cap on general damages, the use of reversionary trusts, limiting attorney contingency fees, third-party litigation financing and more.

Regulatory & Property Insurance Improvements

While most of this year's conversation centered around legal reform, we did not lose focus on improving our overall regulatory environment and strengthening the property insurance market for Louisiana home and business owners. Of the 19 regulatory and property insurance bills I supported at the beginning of session, eight have been signed into law:

- Act 19 (HB 549) by Rep. Rodney Schamerhorn requires insurers to offer an actuarially justified discount on the liability premium for commercial vehicles that have a dash cam and telematics system.
- Act 29 (SB 40) by Sen. Bill Wheat requires continuing education training on new laws for agents, adjusters and public adjusters and is intended to help make sure consumers receive the best and latest advice from their agent.
- Act 32 (SB 52) by Sen. Patrick McMath creates an individual state income tax exemption for grant funds received from the Louisiana Fortify Homes Program (LFHP).
- Act 62 (HB 122) by Rep. Stephanie Berault creates a voluntary roof registry at the Louisiana Department of Insurance (LDI) for property owners and local governments to submit building permits and roof records to serve as an accurate source of roof data for insurers.
- Act 79 (HB 329) by Rep. Troy Hebert directs a portion of taxes and fees paid by insurers, insurance professionals and other regulated entities to fund the LFHP.
- Act 83 (HB 401) by Rep. Kellee Dickerson stabilizes available funding for anti-fraud work performed by the LDI, State Police and Department of Justice.
- Act 144 (HB 121) by Rep. Roy Daryl Adams strengthens requirements for public adjusters and home improvement contractors.
- Act 182 (HB 345) by Rep. John Wyble increases the notice of cancellation and nonrenewal period to 60 days for most personal and commercial P&C insurance lines and requires that the notice includes the cause for the nonrenewal so policyholders may address the issue and improve their insurability while shopping for a new policy.

Five of the 19 have been sent to the governor and are awaiting his decision:

- HB 85 by Rep. Foy Gadberry strengthens local enforcement of roof compliance with building codes.
- HB 145 by Rep. Roger Wilder increases the tax deduction for self-funding a FORTIFIED roof retrofit from \$5,000 to \$10,000.
- HB 441 by Rep. Chance Henry increases fees paid by insurers, insurance professionals and other regulated entities for the purpose of funding the LFHP.
- SB 28 by Sen. Talbot establishes an income tax credit of up to \$10,000 for taxpayers who pay to have their roof retrofitted to the FORTIFIED standard.
- SB 137 by Sen. Talbot requires insurers to notify the LDI when they change their writing activity to help our staff monitor the overall market and provide better advice to consumers.

We have made major progress in the property market, including the successful creation of a permanent funding source for the LFHP. Unfortunately, the remaining six bills I supported failed in various stages of the legislative process. Those bills would have further strengthened our insurance market by creating an income tax deduction for deductible savings accounts contributions, reducing the auto insurance premium tax, strengthening the building code in coastal parishes, clarifying the LDI's authority to investigate insurance fraud, clarifying Louisiana's longstanding recognition of the option for surplus lines insurers to include arbitration clauses in their policies, and giving admitted insurers the ability to offer consumers an arbitration endorsement in exchange for an actuarially justified discount.

Destabilizing the Market

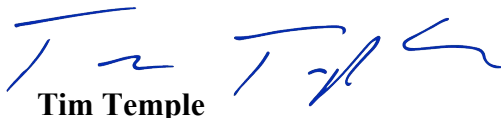
Originally introduced as HB 576 by Rep. Robby Carter and as amended by Rep. Glorioso, HB 148 by Rep. Jeff Wiley (which has been signed and is now Act 11) gives the insurance commissioner unilateral authority to disapprove rate requests and publish proprietary and/or confidential information for purely political, personal and other subjective reasons. The bill also allows the commissioner to subjectively determine that premiums an insurer charged years or decades ago were too high and to force that insurer to issue refunds for those premiums.

Instead of helping address our insurance crisis, this new law makes Louisiana's insurance industry more heavily regulated than California's. This is not the right path for Louisiana. We compete against other states for insurance company capacity and absolutely must maintain our unbiased, predictable regulatory environment that fosters competition, protects consumers and ensures the financial stability of insurers.

While I am grateful to the Legislature for its hard work in developing and passing several bills that will strengthen Louisiana's property and auto insurance markets this session, the decision to pass HB 148 destabilizes our market and threatens to neutralize—if not outright reverse—much of the progress we made this year.

As we begin the hard work of implementing the reforms that have just passed, my staff and I are already looking forward to working with legislators next session to continue strengthening Louisiana's insurance markets for the citizens of our great state.

Best regards,



Tim Temple

Commissioner of Insurance
State of Louisiana