

Louisiana Property and Casualty Insurance Commission Full Commission Meeting

**Thursday, February 18, 2010
Louisiana Department of Insurance
Plaza Hearing Room
1:00 p.m.**

Minutes

Commission Members Present: Ted Haik, Jeff Albright, Senator Dan Morrish, Representative Nickie Monica, Raymond Aleman, Lee Ann Alexander, Larry White (representing Chris Broadwater), Sheriff Greg Champagne, Chris Haik, Kay Hodges, LTC John LeBlanc, Ann Metrailler, and Michael Guy

Commission Members Absent: Commissioner Donelon, Senator Eric LaFleur, Representative Page Cortez, Manuel DePascual, Cherie Pinac, Stephen Schrempp, and Earl Taylor

Commission Staff Present: Terrell Moss, David Evans and Katie Walsh

DOI Staff Present: Denise Brignac, Ed O'Brien, Warren Byrd, Alison Jones, and Sherice Forte

Chairman Ted Haik called the meeting to order at 1:20 pm. He welcomed the Commission members and thanked them for attending.

Ms. Walsh called the roll, reporting that a quorum was present.

Mr. John Wortman, CEO of Louisiana Citizens Property Insurance Corporation, updated the Commission members on Citizens. The company continues its depopulation process, and for the first time since before the 2005 hurricanes, they are below 130,000 policies (down from over 170,000 policies). Citizens is also implementing its new policy and claims management computer system. The new web-based system appears to be successful thus far. The 2008 audit has been completed by the legislative auditor, and the 2009 audit will be contracted to an outside firm.

Mr. Wortman also spoke on changes in legislation and the Plan of Operation that would benefit Citizens. The legislative concepts discussed by Mr. Wortman included: 1) exempting Citizens from the Open Meeting Laws to the extent that its Board could discuss confidential audits in executive session and 2) removing the need for Citizens to provide the governmental Comprehensive Annual Financial Report (CAFR), which would reduce expenses and clarify Citizens' accounting standard under the double regulation of the Department of Insurance and the Legislative Auditor. Desired changes to the Plan of Operation include: bringing Board of Directors appointments into compliance with current statute, adding a Litigation Committee, raising management's authority to contract from \$15,000 to \$25,000, clarifying the Board's

approval of LCPCIC's officers, recognizing agents' authority to bind coverage, eliminating the distribution of data solely through Citizens' website, and updating rate and rating plan handling to reflect current law.

Several issues that require both legislative and plan of operation changes include clarifying the depopulation process, consolidating the FAIR and Coastal Plans, and creating immunity from class action law suit penalties.

Discussion followed.

Representative Monica made a motion to object to the Streamlining Commission's recommendation to dissolve Louisiana Citizens.

Mr. Albright seconded the motion.

A brief discussion followed.

Without objection, the motion passed.

At this time, no further legislative concepts have been developed by Citizens. Mr. Wortman agreed to keep the Commission members informed of the drafted legislation once completed, at which time additional voting may take place.

Mr. John J. Williams, Jr., Traffic Safety Resource Prosecutor, LA District Attorneys Association, addressed the Commission on forfeiture provisions for third and fourth DWI offenses. Act 1296, passed in the 1997 Regular Session, provided for the seizure and sale of the vehicle driven by a convicted third, fourth, and subsequent DWI offender, with 100% of the proceeds going to CAIRE (currently, the Louisiana Property and Casualty Insurance Commission-LPCIC) following payment of court, towing, and storage costs. The changes presented will allow a percentage to law enforcement and prosecutors, with the balance going to LPCIC (20 percent). The additional funding should generate more incentive for compliance with the existing law.

Senator Morrish motioned to reduce the funds collected by the LPCIC for the seizure and sale of vehicles involved in third and subsequent DWI's from 100% to 20%, with the intent that the remaining funds be distributed to local law enforcement.

Sheriff Greg Champagne seconded the motion.

Without objection or further discussion, the motion passed.

Ms. Kay Hodges, Commissioner of the Office of Motor Vehicles, briefed the Commission on ignition interlock devices and tracking of the devices. There are many issues involving the ignition interlocks, which include difficulty to monitor the device, premature removal, and drivers who own multiple vehicles, but only one interlock by law.

No recommendations were made on the ignition interlock issue from the Commission.

LTC John LeBlanc reviewed a list of legislative proposals by the Louisiana Highway Safety Commission:

Child passenger restraint system:

The required age for children to be restrained in a booster seat should be raised from age six to eight, and the weight requirement should be increased from sixty pounds to eighty pounds.

Representative Monica motioned to support this concept.
Sheriff Champagne seconded the motion.
Without objection or further discussion, the motion passed.

Graduated drivers' license law:

(A.)The intermediate license would restrict drivers under the age of seventeen from driving between 10:00 p.m. and 5:00 a.m. Currently, the law restricts those drivers from driving between the hours of 11:00 p.m. and 5:00 a.m.

Ms. Hodges recommended the Highway Safety Commission amend the concept to include a clause regarding employment, school functions, and other extenuating circumstances, and motioned that the Commission support this recommendation.

A brief discussion ensued.

Representative Monica asked Sheriff Champagne to clarify what time curfew presently is, and Sheriff Champagne answered that it varied from parish to parish.

Senator Morrish seconded the motion made by Ms. Hodges.
Without objection or further discussion, the motion passed.

(B.)There would also be a proposed passenger restriction, allowing only one non-familial teenage passenger with no adult supervision during the first year of intermediate license stage, and only two non-familial teenage passengers allowed until the driver reaches the age of eighteen.

Chairman Haik asked the Commission if they supported this recommendation in conjunction with the amendment to include a special clause regarding employment, school functions, and other extenuating circumstances.

All Commission members supported this concept.
Without objection or further discussion, the motion passed.

Amend and re-enact R.S. 32:414 relative to the suspension, revocation, renewal, and cancellation of a driver's license:

Amend R.S. 32:414 B(1) to not only include manslaughter, vehicular homicide, and negligent homicide resulting from the operation of a motor vehicle, but also include third degree feticide under the provisions of R.S. 14:32.8.

Chairman Haik asked the Commission if they supported this recommendation.
All Commission members supported this concept.
Without objection or further discussion, the motion passed.

Chairman Haik asked the members if there were any further legislative concepts they would like the LPCIC to consider.

LTC LeBlanc requested that the LPCIC consider and support legislation drawn up by the Governor's DWI Task Force.

There is no objection from the Commission.

The motion passed.

Chairman Haik reminded members of past concepts that were to be considered.

Ms. Alexander asked for clarification on the issue of a named storm savings account.

Senator Morrish explained the tax credit in further detail, however, notes that it may be a fiscal issue.

Senator Morrish motioned that the Commission support the concept of an annual named storm deductible.

Mr. Albright seconded the motion.

Without obligation or further discussion, the motion passed.

Chairman Haik suggests that LPCIC members submit any other concepts for further discussion to the LPCIC staff and they would be included in the annual report to the Legislature.

Chairman Haik then motioned to adjourn the meeting. All agreed.

With no further business to discuss, the Louisiana Property and Casualty Insurance Commission meeting adjourned at 2:35 p.m.