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Legislative Update 4/17/2014

The past week was extremely busy for both insurance and tort issues at the Louisiana Legislature. As is often the case, there was good news and bad news from the perspective of IIABL and the insurance industry.

Tort Reform

The bad news was that **HB917 by Rep. Garofalo to lower the jury trial threshold was returned to the calendar after a "motion to table" by Rep. Robert Johnson was successful on a 51-49 vote** (click [here](#) to see how they voted). This vote does NOT reflect who supported and opposed the bill; a number of those who voted to keep the bill up for debate told us they would vote against the bill itself. A **slightly more accurate vote is on the amendment** by Rep. Garofalo that would have helped clerks of court with cost issues related to jury trials. That amendment failed on a 48-52 vote (click [here](#) to see how they voted). HB 917 is effectively dead for the session. Other jury trial threshold bills are under consideration for further action. The Hayride released several articles scathing House members for failing to pass this bill (online [here](#) and [here](#)), and NOLA.com and the Advocate have stories online [here](#) and [here](#) as well.

The good news was that **HB 316** by Rep. Neil Abramson, D-New Orleans passed off the House floor on a 56-40 vote. This legislation also deals with Louisiana's jury trial threshold and closes a loophole in consolidation of lawsuits to ensure that cases valued at more than the threshold of \$50,000 have the opportunity for a jury trial and cannot be divided into various suits in order to fall below the threshold.

The other good news is that earlier in the week, **HB 114** by Rep. Pat Connick, R-Marrero, was returned to the calendar after Connick ran into difficulty when an amendment was adopted that ensured the two-year prescriptive period would have prospective application only. This legislation

would have changed the prescriptive period in which certain tort lawsuits can be filed from one year to two years.

Insurance Bills

The good news was that HB 470 (Harrison) was deferred by the House Insurance Committee. HB 470 would have required homeowners insurers to write any home built or retrofitted to the building code regardless of their market capacity, reinsurance or underwriting. IIABL opposed and lobbied against the bill. Insurance Commissioner Jim Donelon testified in opposition. In the face of certain defeat, Rep Harrison agreed to defer the bill and will instead offer a legislative study resolution asking the House & Senate Insurance Committees to study what can be done to improve the homeowners market.

Additional good news is that HB 1218 (Greene) was deferred in the House Insurance Committee in the face of opposition by IIABL and LABI. HB 1218 would have required agents and insurers to provide a complete listing of coverages on auto ID cards and require a notice if UM coverage was not provided. In addition HB 1218 would have required employers to post in a conspicuous place in the workplace, a notice that UM coverage was not provided by the employer.

The bad news is that the Senate Insurance Committee approved without objection SB 69 (Murray) which would prohibit insurers from excluding coverage for the intentional acts of minor children from personal liability insurance policies.