

# TECHNICAL ADVISORY

**TA 96**

**September 17, 1996**

**SUBJECT:** Louisiana Insurance Rating Commission (LIRC)  
Update on Tillinghast study.

**BACKGROUND:** Refer to TA-95 of August 22, 1996. As a result of significant tort reform legislation passed in 1996, the Louisiana Department of Insurance engaged the Tillinghast-Towers Perrin actuarial firm for an assessment of the impact such legislation would have on insurance rates. The results were released in August.

**MAIN POINTS:** The LIRC voted today to send all insurance carriers a copy of the "Benchmark Loss Reductions" report, which was prepared by the Department of Insurance staff. The "Benchmark" report incorporates the anticipated effect both of tort reform legislation, and certain "behavior modification" factors. Following the approval of the LIRC today, Insurance Commissioner James. H. "Jim" Brown issued Bulletin and Directive 96-06, which notified insurance carriers that any future rate filings must reflect the "Benchmark" report. A copy of the "Benchmark" report is included in this Technical Advisory.

**NECESSARY ACTION:** We will continue to monitor developments closely, and report as needed.