Note: IIABL CEO Jeff Albright wrote a letter to the editor in response to the inaccurate weekend column by New Orleans / Baton Rouge Advocate Bureau Chief Mark Ballard. It was published in printed papers and online this morning in Baton Rouge, New Orleans and Acadiana. A link to the Ballard column follows, and the letter to the editor is below.

https://www.theadvocate.com/baton_rouge/opinion/mark_ballard/article_02e5f6e6-de5b-11ea-adf0-4348e5944d4c.html

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https://www.theadvocate.com/baton_rouge/opinion/letters/article_5fdaa856-e167-11ea-aa50-73ccb77e8dd8.html

Letters: Legislative reforms will eventually lower car insurance rates

BY JEFF ALBRIGHT

Mark Ballard’s recent opinion piece (Political Horizons, Aug. 16) mischaracterized my presentation to the Louisiana Economic Recovery Task Force on Aug. 6. I would like to set the record straight.

Ballard indicated I “admitted” that House Bill 57, the Civil Justice Reform Act of 2020, by Speaker Clay Schexnayder of Gonzales, would not reduce automobile insurance premiums. In fact, my presentation detailed how each of the four major legal reforms included in the bill would help reduce both frivolous lawsuits and automobile insurance premiums over the next several years.

Ballard came to his conclusion based on my comment that next year Louisiana could be ranked as the highest insurance premiums in the country.

Annual state insurance rankings are based on the previous year’s data. Michigan has long held the distinction of having the highest auto insurance rates in the nation but has made substantial legal reforms over the past two years. Michigan’s reforms — and not any other factor — will likely lead to the two states switching positions on the list this year.

Louisiana’s much-needed reforms passed during the special legislative session will not take effect until January. Obviously, these changes cannot work before they are even implemented, and it will take 2 to 3 years for the real impact in the courts to result in lower auto insurance premiums.
Ballard’s other assertion was that I stated that automobile insurance was not the point of the tort reform legislation. In fact, my entire presentation was about how the tort reform package would reduce frivolous lawsuits, insurance losses and insurance premiums. The entire tort reform debate in the Legislature centered around how to reduce auto insurance premiums.

Louisiana’s accident rate is only slightly higher than the national average, but we claim that we are injured twice as often as the national average and file lawsuits 60% more often. It does not take an actuary to understand Louisiana has a flawed civil justice system, resulting in some of the highest automobile insurance rates in the country. The only way to reduce automobile insurance premiums is to bring our legal system in line with other states, so that our losses and premiums will also be aligned.

The Louisiana Legislature made an excellent first step in reforming our civil justice system with the passage of HB57. As these new reforms take effect, we have every reason to believe automobile losses and premiums will be reduced as a result.

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