



LOUISIANA DEPARTMENT OF INSURANCE
TIMOTHY J. TEMPLE
COMMISSIONER

May 7, 2025

TO: Louisiana Business Leaders

RE: Louisiana Legislature Considering Bill That Would Threaten Progress Made in Property Insurance Market and Further Destabilize Auto Insurance Market

I hope this letter finds you well. I am writing to urgently bring your attention to a significant negative development in the Louisiana Legislature that would have profound implications for Louisiana's property and auto insurance markets.

Representative Jeff Wiley originally filed House Bill (HB) 148 as a simple transparency bill. Representative Brian Glorioso amended the bill on the House floor to add most of the language from an unrelated bill, [HB 576](#) by Representative Robby Carter. [HB 148](#) passed out of the House with the amendment on April 30, and the Senate will soon hear this bill. **I ask you to join me in strongly opposing HB 148.**

If passed, HB 148 could cause several destabilizing effects:

1. **Economic Impact:** The insurance industry plays a vital role in Louisiana's economy. Destabilizing the market by passing HB 148 could have broader economic repercussions, affecting not only insurers but also policyholders, businesses and the overall economic health of Louisiana at a time when businesses and families are already struggling with extremely high auto and property insurance rates.
2. **Reduced Competition:** The uncertainty introduced by this bill could deter new insurers from entering the Louisiana market and may even prompt existing insurers to reconsider their presence in the state. This reduction in competition could ultimately harm consumers by limiting their choices and driving up premiums.
3. **Market Uncertainty:** Insurers rely on a predictable regulatory framework to make informed business decisions. Allowing subjective disapprovals could lead to inconsistent regulatory actions, making it difficult for insurers to plan and price their products effectively.

If passed, HB 148 would give the Louisiana Insurance Commissioner unilateral authority to disapprove rate requests for purely political, personal and other subjective reasons. Introducing subjectivity into the rate review process would create untenable uncertainty in the markets, undermine an insurance company's ability to classify risk in a sound manner and potentially compromise an insurer's financial stability. While proponents of this bill say they trust me with

this authority, there is a high degree of uncertainty in how future Insurance Commissioners would use this power.

This proposed legislation makes a drastic and stark departure from our current system that relies on the actuarial soundness of rates as the primary criterion for approval or disapproval. In our current system, the Louisiana Department of Insurance's (LDI) Division of Actuarial Services ensures rates are not excessive, inadequate or unfairly discriminatory by applying a well-established process that is based on actuarial and statistical principles. This process is consistently applied by actuaries across the United States. LDI actuaries perform this analysis utilizing historical claims data, projected future losses and other factors to determine the appropriateness of an insurance company's requested rate.

Contrary to the false assumptions made by proponents of HB 148, the Commissioner of Insurance can approve OR deny a rate after actuarial review. The LDI can also discuss inadequate rates with insurers and allow insurers to revise a rate instead of denying it. This approach provides the stable and predictable regulatory environment necessary for maintaining a healthy insurance market. However, the proposed bill undermines this stability and introduces significant uncertainty and volatility into the market.

HB 148 makes two other harmful changes. The first is a new provision authorizing the Insurance Commissioner to order insurers to issue refunds for rates he retrospectively and subjectively determines were excessive with no limitation on the lookback period. Under this law, an Insurance Commissioner could, for political reasons and with no rational or mathematical basis, force a company to refund policyholders for a rate charged 20 years ago.

The second change repeals the distinction between competitive and noncompetitive markets in the law that is recognized in the vast majority of states. Both changes make it impossible for insurers to do business here in the same way they operate in most other states, which would make Louisiana a negative outlier at a time when we are working harder than ever to attract more companies.

Last year, I worked closely with legislators to pass a package of property insurance reform bills that aimed to create a more attractive market for insurers to do business. Those changes are already having a positive effect, and we continue our work to do the same thing this session for the auto insurance market. This bill would reverse that progress and make it more difficult for Louisiana's already distressed insurance markets to recover.

I urge you to join me in opposing this bill and advocating for the preservation of our current system, which is based on sound actuarial principles and regulatory consistency. Please contact your senators and representatives to express your opposition to this bill and your thoughts on how it would further harm Louisiana's insurance markets.

Thank you for your attention to this critical issue. We absolutely must maintain our unbiased, predictable regulatory environment that fosters competition, protects consumers and ensures the financial stability of insurers. I look forward to working with you to ensure that Louisiana's insurance markets remain stable and competitive for the benefit of all Louisianans.

Best regards,

A handwritten signature in blue ink, appearing to read 'Tim Temple', with a stylized flourish at the end.

Tim Temple
Commissioner of Insurance
State of Louisiana