

March 25, 2014

Members of the House Insurance Committee
Louisiana State Capitol
Baton Rouge, Louisiana

Via email

RE: Opposition to House Bill 302

Members:

The National Association of Mutual Insurance Companies (NAMIC) appreciates the opportunity to register its opposition to House Bill 302.

We are the largest property/casualty insurance trade association in the country, serving regional and local mutual insurance companies on main streets across America as well as many of the country's largest national insurers. The 1,400 NAMIC member companies serve more than 135 million auto, home and business policyholders and write more than \$196 billion in annual premiums, accounting for 50 percent of the automobile/homeowners market and 31 percent of the business insurance market. In Louisiana, we have 123 members doing business in the state, making up forty percent of the marketplace.

Under current law RS 22:1896, policyholders have a right to transparency and integrity in the adjustment of property claims. Insurers must "respond to all inquiries or requests from the insured within fourteen days of the inquiry or request." House Bill 302 would expand these rights to include the right to obtain "a copy of all documentation relied upon by the insurer in adjusting an insured's property claim."

Furthermore, under the existing "Policyholder Bill of Rights" statute, RS 22:41(14), the policyholder is entitled to a long list of items in the claim file:

Relative to first party property damage claims, policyholders shall have the right to request and receive from the insurance company any estimates, bids, plans, measurements, drawings, engineer reports, contractor reports, statements or documents that are not legally privileged that the insurance company prepared, had prepared, or used during its adjustment of the policyholder's claim. A company may keep confidential adjuster notes, logs, and any documents prepared in conjunction with a fraud investigation.

This bill would effectively expand that list of documents to which the policyholder is already entitled to include proprietary information, including claim guidelines and other internal policies in the claim file. Such information should not be disclosed outside of a court's purview.

In addition, the bill would create a number of problems for the insurance industry and law enforcement agencies investigating cases of fraud. Claim files materials may contain sensitive documentation regarding civil and criminal fraud which should not be shared while the investigation is ongoing, as it could jeopardize the investigation. Given the extensive efforts that insurance companies, the Department of Insurance and various law enforcement agencies make to combat insurance fraud, we certainly would not want to jeopardize their investigations.

We should also point out the bill as written would allow unlimited requests for the information, meaning the policyholder could request the information identified in the legislation multiple times. We do not see a need to permit unlimited information requests to an insurer, especially when there are already statutes in place providing ample protection for and disclosure to Louisiana policyholders.

Accordingly, we urge you to oppose the bill.

As always, we appreciate your time and willingness to hear our concerns. If you have any questions, please don't hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Martin". The signature is written in a cursive style with a large initial "P" and "M".

Paul Martin
Director – State Affairs
Southwest Region

cc: Rep. Hunter Greene