



LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON
COMMISSIONER

ADVISORY LETTER 2014-05

TO: ALL AUTHORIZED PROPERTY AND CASUALTY INSURERS

FROM: JAMES J. DONELON, COMMISSIONER OF INSURANCE

RE: ACT NO. 427 OF THE 2014 REGULAR SESSION OF THE LOUISIANA LEGISLATURE

DATE: OCTOBER 15, 2014

Please be advised that Act No. 427 of the 2014 Regular Session of the Louisiana Legislature enacted R.S. 22:1488 (Act 427) relative to property and casualty insurers authorized to issue homeowners' insurance policies in Louisiana. Specifically, Act 427 established certain data reporting requirements that homeowners' insurers must provide annually to the Louisiana Department of Insurance (LDI) beginning on or before May 1, 2015.

The purpose of Advisory Letter 2014-05 is to provide insurers guidance with respect to the form and procedure homeowners' insurers shall use to submit the information required by Act 427 to the LDI. The [entire text of Act 427](#) can be found on the Louisiana Legislature's website.

Applicability

The provisions of Act 427 are applicable to all property and casualty insurers authorized to issue homeowners' insurance policies in Louisiana. For purposes of Act 427, "Homeowners' insurance" includes condominium insurance, residential fire insurance, renter's and tenant's insurance, and mobile home and manufactured housing insurance. The provisions of Act 427 do not apply to creditor-placed homeowners' insurance, condominium association insurance, commercial insurance, reinsurance, or surplus lines insurance.

Data Reporting Requirements

Pursuant to Act 427, on or before May 1, 2015, homeowners' insurers must submit the following data for the calendar years 2004-2014 and on an annual basis thereafter:

1. Total amount of direct paid losses less all deductibles

Losses shall be reported for the following perils:

- a) Fire;
 - b) Wind and hail;
 - c) Catastrophe wind and hail;
 - d) Flood; and
 - e) All other perils.
2. Number of policies written; and
 3. Direct written premiums.

This data must be reported by calendar year, zip code and parish.

Electronic Reporting

Data reporting for Act 427 shall be submitted electronically via the Act 427 module by using the LDI's Industry Access Portal. An authorized user must be designated for the Act 427 module by the insurer's Industry Access Portal administrator before data can be uploaded to the LDI's Act 427 database. The insurer shall submit the data to the LDI in the same format as found in the sample Excel[®] workbook available in the Act 427 module. The company's designation of an authorized Act 427 module individual can be performed beginning October 15, 2014. The LDI's Act 427 module will become available to upload data no later than January 1, 2015. The company should monitor the LDI's website for information on when the Act 427 module is available for uploads.

Importing Data into the LDI's Database

To import insurer data into the LDI's Act 427 database, the company must access the LDI's Industry Access Portal. The LDI's Industry Access Portal can be accessed by following these instructions:

1. Use the following link: <https://ia.lidi.state.la.us/IndustryAccess/>
2. For a step-by-step guide on signing up, follow this link to the Industry Access Portal Help Manual: <https://ia.lidi.state.la.us/IndustryAccess/IndustryAccessUserManual.pdf>
3. (First-time use only) - After creating and verifying your account, log in and request access for your company. The above Help Manual includes information on how the request process works. Note that the authorization/designation of an individual to access the Act 427 module may take up to 24 hours to become active.

(For active users) – The authorized/designated Act 427 module individual should log in to Industry Access.

4. Navigate to the "Modules" link and select the "Act 427" module. A new window will open and the Act 427 web application will load in your browser.
5. Use the help icons (the blue square buttons with the question mark) to get specific screen help information on using the Act 427 module. Upload your data.

Notarized Affidavit

Each report submitted by an insurer shall include a notarized affidavit executed by an executive of that insurer attesting to the validity of the data reported. The affidavit shall be submitted through the LDI's Industry Access Portal, Act 427 module. A sample affidavit can be found in the Act 427 module.

Confidentiality

Any information reported to the Commissioner as required by R.S. 22:1488 shall be confidential pursuant to R.S. 22:1488(E), exempt from public records law pursuant to La. R.S. 22:44:4.1(B)(11), and the LDI's use of such information shall be limited solely to the purposes authorized under R.S. 22:1488.

Waivers/Modifications/Extensions

Act 427 grants the Commissioner the authority to waive, modify or extend the reporting requirements of Act 427 for good cause upon a written request by an insurer. The Commissioner shall, in writing, grant or deny the written request to waive, modify or extend the reporting requirements of Act 427. Good cause may include but is not limited to the following:

1. The insurance company's limited share of the total homeowner's market in Louisiana.
2. The undue burden of compiling and reporting data required by Act 427 due to the manner, format or method in which the insurance company has stored the data.
3. The insurance company does not have the data requested by Act 427.
4. The insurance company is required to materially upgrade, modify, or reprogram computer systems to provide the data required by Act 427.
5. The insurance company is required to significantly divert limited resources to provide the data required by Act 427.

Fines for Noncompliance

Any insurer that fails to timely comply with the reporting requirements of Act 427 shall be given notice by the Commissioner of the failure and provided thirty days to comply. An insurer that fails to comply on or before the thirtieth day following said notice, unless waived, modified or extended by the Commissioner, shall be fined ten thousand dollars (\$10,000) per month until the date of compliance. Note: Pursuant to R.S. 22:1488(D)(2), this fine shall not be waived or reduced except by an act of the legislature.

Important Dates

1. LDI's Industry Access Portal will be available to authorize/register individuals for access to the Act 427 module on October 15, 2014.
2. The Act 427 module will be available to upload data no later than January 1, 2015.
3. Insurers shall report historical data for calendar years 2004 through 2014 not later than May 1, 2015. Data for calendar year 2015 and subsequent years must be reported no later than May 1 of the following year, e.g., calendar year 2015 data May 1, 2016 and calendar year 2016 data by May 1, 2017.
4. The Commissioner shall annually compile and publish aggregated data on the LDI's web site by June 1, beginning with the initial publication on June 1, 2015.
5. Unless extended by the legislature, reporting required by Act 427 shall become void on May 1, 2017. Note that all data through calendar year ending December 31, 2016 must still be reported no later than May 1, 2017.

For questions or clarifications regarding Advisory Letter 2014-05, please contact the LDI, Office of Property and Casualty, Actuarial Division at 225-342-4690 or email us at Act427@ldi.la.gov.

Baton Rouge, Louisiana this 15th day of October 2014.



JAMES J. DONELON
COMMISSIONER OF INSURANCE