

**Louisiana Property and Casualty Insurance Commission
Auto Ad Hoc Committee Meeting**

**Tuesday, December 7, 2010
Louisiana Department of Insurance
Plaza Hearing Room
10:00 a.m.**

Minutes

Commission Members Present: Stephen Schrempp, Representative Page Cortez, Jeff Albright, Captain Edward Beckendorff (representing Sheriff Greg Champagne), Michael Guy, Chris Haik, Ted Haik, Ashley Bossom (representing Kay Hodges), Jamie Ainsworth (representing LTC John LeBlanc), Ann Metrailler and Carrie Pena

Commission Members Absent: Senator Eric LaFleur, Senator Dan Morrish, Representative Nickie Monica, Lee Ann Alexander, Manuel DePascual and Earl Taylor

Commission Staff Present: Terrell Moss, David Evans and Katie Walsh

DOI Staff Present: Ed O'Brien and Sherice Forte

Chairman Schrempp called the meeting to order at 10:15 am. He recognized Representative Page Cortez as Vice Chair of the Louisiana Property and Casualty Insurance Commission's (LPCIC) Auto Ad Hoc Committee. He acknowledged Carrie Pena, the new Governor's designee for the LPCIC and also welcomed the Commission members.

Ms. Walsh called the roll, reporting that a quorum was present.

Chairman Schrempp recognized that in spite of the strides that have been taken to improve driver safety and driving conditions, Louisiana remains one of the most expensive states for automobile insurance. He outlined the goals of the Auto Ad Hoc Committee as to exhaustively examine the factors that cause Louisiana's high rates, to listen to innovative ideas which may make insurance more affordable, and ultimately to offer recommendations which will help remedy this problem which impacts all of our driving public. The Chairman asked the Committee members to be open to creative solutions as they explored the state's claims rate, driving culture, road conditions, and laws.

Mr. Richard Hutchinson, Usage Based Insurance Business Leader at Progressive, gave a presentation detailing their Usage Based Insurance plan. The concept of the program is to integrate driving data with traditional rating factors, claims history, vehicle make and model, financial stability and demographics to determine if the driver is eligible to receive a personalized usage based discount of up to 30 percent. Factors that Progressive monitors include a driver's mileage, the time of day (or night) driven most frequently, the territory and road type

driven, and the driver's driving style (fast acceleration, hard braking, turning, etc.). This information is tracked and measured by a sensor installed in the vehicle which transmits the data to Progressive's server. Customers are able to access their driving data online. Mr. Marty Rarick, Louisiana Product Manager, accompanied Mr. Hutchinson and also helped to outline the program.

Mr. John Broemmelsiek, ITS/ Traffic Operations Engineer, US Department of Transportation-Federal Highway Administration, LA Division, presented information on Louisiana's Distracted Driving Task Force. Louisiana's Strategic Highway Safety Plan is data driven with four defined emphasis areas based upon available data: infrastructure, young drivers, occupancy protection, and impaired driving. Task Forces have been created for two potential, additional emphasis areas, but for which adequate data is presently lacking: aggressive driving and distracted driving. Therefore, the goal of the Louisiana Distracted Driving Task Force is to define distracted driving, determine what data is available to support that definition, and what data needs to be gathered from traffic reports or other research to reach the conclusion that distracted driving is a problem in our state. The Task Force includes federal and state agencies, a municipal agency, and several private organizations, but would like a representative of the cellular or wireless industry to join. It has elected to define distracted driving broadly to include both in-cab and out-of-cab distractions that divert the driver's eyes, hands, or mind from the task of driving. Mr. Broemmelsiek detailed some of the national research studies and statistics on distracted driving, but noted their shortcomings as relying too heavily on simulations, observational methods, and surveys. He also detailed some Louisiana laws concerning distracted driving. Mr. Broemmelsiek concluded that distracted driving is a complex, prolific issue from a safety and an engineering perspective affecting all drivers in various ways. The Task Force will work toward improving the crash report to record better distracted data, better citation, and more enforceable laws.

Discussion followed. It was noted that there is heavy reliance on self-reporting of cell phone use in crashes. Based upon that data and 3 other criteria listed on the crash report Louisiana's distracted driving has fluctuated between 8 and 10 percent over the last 5 or 6 years. Louisiana has been at the forefront nationally with its cell phone and texting laws. Hope was expressed that the tougher laws and increased enforcement would result in behavioral changes, especially among young drivers.

Captain Scott Silverii, Uniform Division Commander of Lafourche Parish Sheriff's Office (LPSO), spoke to the Commission about the Data Driven Approaches to Crime and Traffic Safety (DDACTS) program his agency implemented in 2009 as one of NHTSA's 6 original pilot sites across the country. Captain Silverii explained that Lafourche Parish had long been one of the most dangerous parishes for serious injury and alcohol-related crashes. DDACTS was the business model for efficiency and allocation of resources that LPSO adopted to reverse that history of poor driving and alcohol-related crashes.

Under DDACTS, data available on crime and crashes is mapped to define overlying (or overlapping) high frequency areas and the days of the week and times of the day of these high frequency occurrences. Based on this analysis, LPSO determines the 5 highest frequency days of the week and the highest 2-hour frequency for each of those days. High visibility traffic enforcement is employed in these defined "hot spots" at the indicated times – "a 2 hour slice of a 24 hour clock in that particular area." The officers assigned to the hot spots are then held

accountable for the results, the results are measured, and the degree of success is quantified by looking at a 4-year median of baseline data.

The results in Lafourche Parish have been remarkable. Captain Silverii showed that DWI arrests have risen from 150 in 2008 to 297 in 2009 to almost 500 to date in 2010. As DWI arrests have risen alcohol related fatalities have decreased from 18 in 2008 to 11 in 2009 to 5 so far in 2010. When 2009 results are measured against the 4 year average 2005-2008, property-damage-only crashes are down over 22 percent, injury crashes are down almost 20%, and fatal crashes are down over 52 percent.

Captain Silverii stressed that this DDACTS-based success was accomplished without additional funds, officers, or an increase in the ratio of traffic citations to warnings. As periodic elements of its high visibility enforcement, LPSO employs insurance, seatbelt, and DWI checkpoints where indicated by the data and publicizes the checkpoints in advance. LPSO also uses very progressive public service announcements on the radio and preaches the messages of safety whenever it meets the public. The DDACTS program has proven to be so highly successful in Lafourche Parish that NHTSA has Captain Silverii traveling the country promoting it and has recently recognized Captain Silverii and Lafourche Parish Sheriff Craig Webre with Public Service Awards.

As part of its focus on impaired driving and accountability, LPSO is participating in a pilot program funded by the Highway Safety Commission that tracks everyone LPSO arrests for DWI. LPSO follows whether these folks are meeting their court dates and makes spot visits to determine whether they are complying with the conditions placed on them, especially ignition interlock requirements.

During the discussion that followed, Captain Silverii noted the impact that DDACTS-based high visibility traffic enforcement has had on crime. In one Lafourche Parish “hot spot” over a 3-month period, crimes against persons were reduced 42% and property crimes were reduced 22%. Captain Silverii also recognized changes in the drink-and-drive culture that had existed in Lafourche Parish and acknowledged the parts played by a consistent Zero Tolerance message and the use of No Refusal search warrants. In response to questions about whether the DDACTS model could be applied successfully elsewhere in Louisiana, Captain Silverii assured the LPCIC that DDACTS is absolutely universally applicable, flexible, and as simple as “putting cops on dots” – a reference to the “hot spots” indicated by the overlapping high frequency crime and crash data. DDACTS is now being used successfully by about 140 agencies nationwide and about 10 or 11 law enforcement agencies in Louisiana have expressed interest.

Chairman Schrempp assured the LPCIC Auto Ad Hoc Committee members that the committee would continue to meet periodically throughout the year and discuss issues that impact LA’s high auto insurance rates, which will lead to recommendations to be presented to the Legislature.

At 11:40, with no further business to discuss, Mr. Ted Haik made a motion to adjourn the meeting and Representative Cortez seconded.