

Directive No. 34

SALVAGE ON PAID LOSSES

Effective April 1, 1976

In view of the difficulty of ascertaining the value of items received as salvage or subrogation on paid losses, insurance companies incorporated under the laws of the State of Louisiana shall not take credit for salvage recoveries until such recoveries shall have been reduced to cash or its equivalent. Accordingly, no insurance company of Louisiana, which is required to submit an annual statement to this Department on the Convention Forms prescribed for Fire and Marine and Miscellaneous Companies, shall include any property as an item of salvage recoverable in such annual statement without first having obtained the written consent of this Department. Salvage reduced to cash shall be accounted for as an offset to losses paid in accordance with existing practices.

Sherman A. Bernard
COMMISSIONER OF INSURANCE