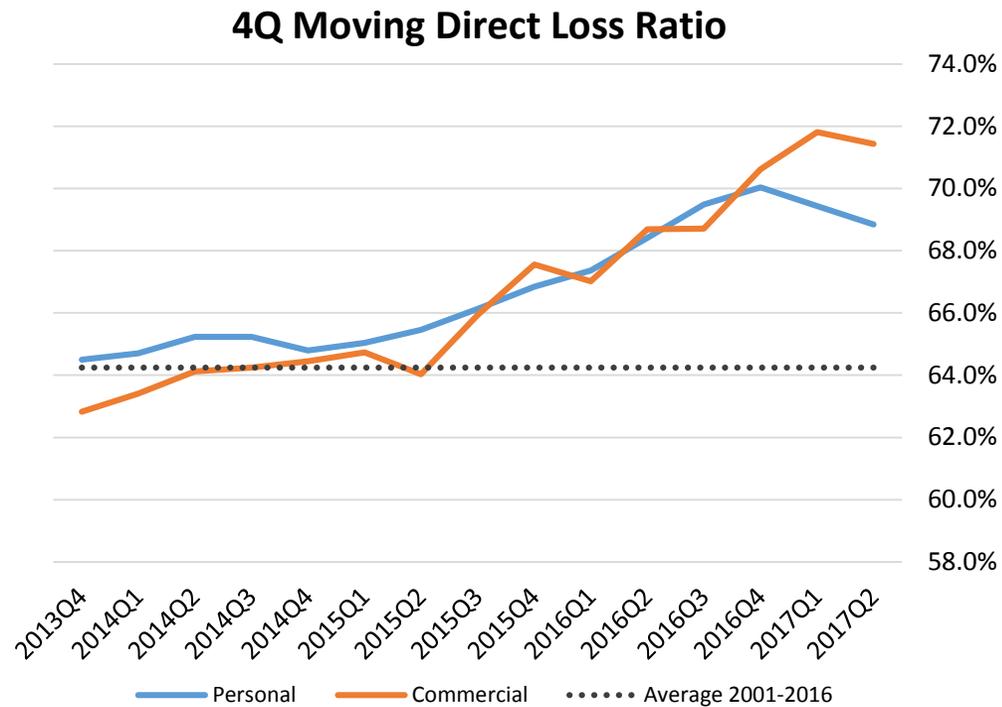


Louisiana

November 8, 2017

Auto Safety & Loss Cost Trends

Auto Loss Trends



Source: SNL Financial (S&P Global Market Intelligence)

	Frequency		Severity	
	Quarter-Over-Quarter	Year-Over-Year	Quarter-Over-Quarter	Year-Over-Year
BI	-0.90%	-2.85%	2.2%	7.7%
PD	0.15%	0.53%	0.9%	4.2%
PIP	-0.71%	-0.42%	2.16%	3.25%
COMP	-0.75%	-1.26%	-0.19%	11.14%
COLL	0.45%	2.11%	-0.50%	2.07%

Source: ISS/NISS/ISO Personal Auto Fast Track Data 2017 Q2

Causes

Solutions

Urban Congestion & Road Conditions



Infrastructure Investment

Device Distractions



Handheld Bans & Primary Enforcement

Extreme Weather Events



Weather Warning Systems

Speed Limits



Lower Speed Limits

Impaired Driving



Education & Enforcement

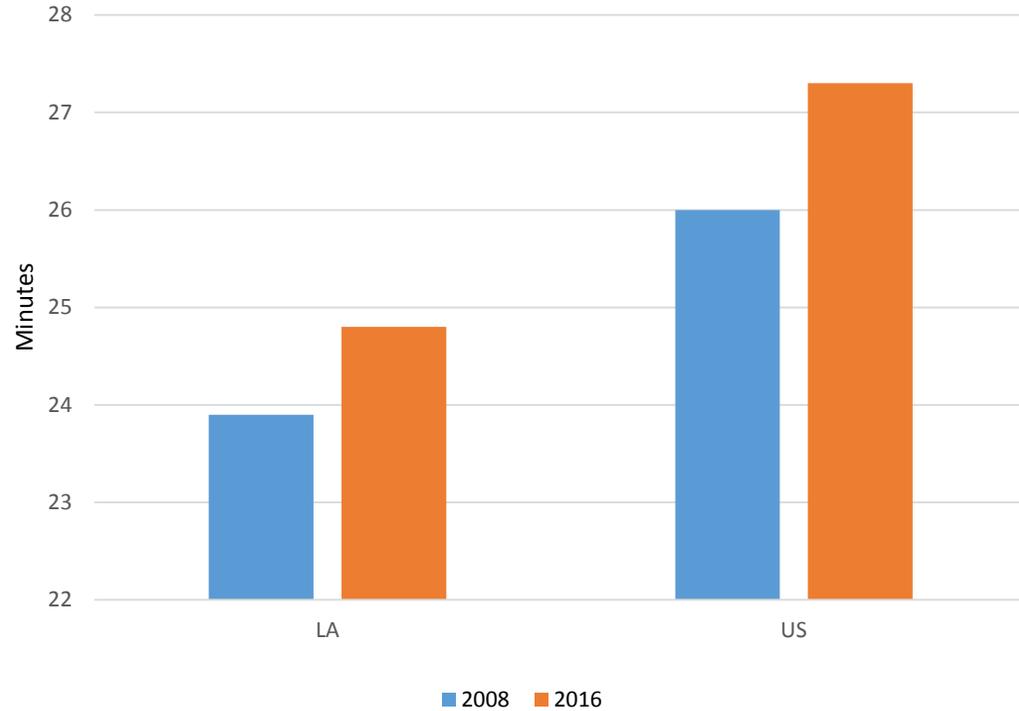
Litigation Environment



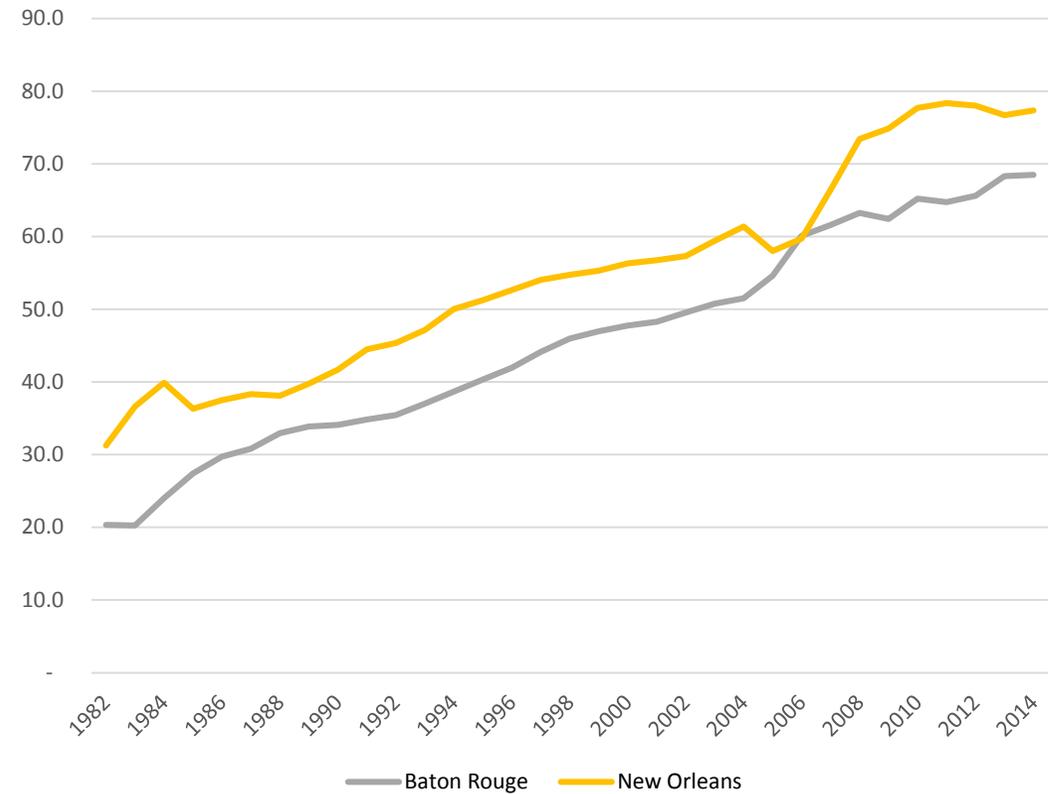
Tort Reform

Traffic Congestion

Average Metropolitan Area Commute Time



Average Annual Delay (Hrs) per Auto Commuter



Distracted Driving

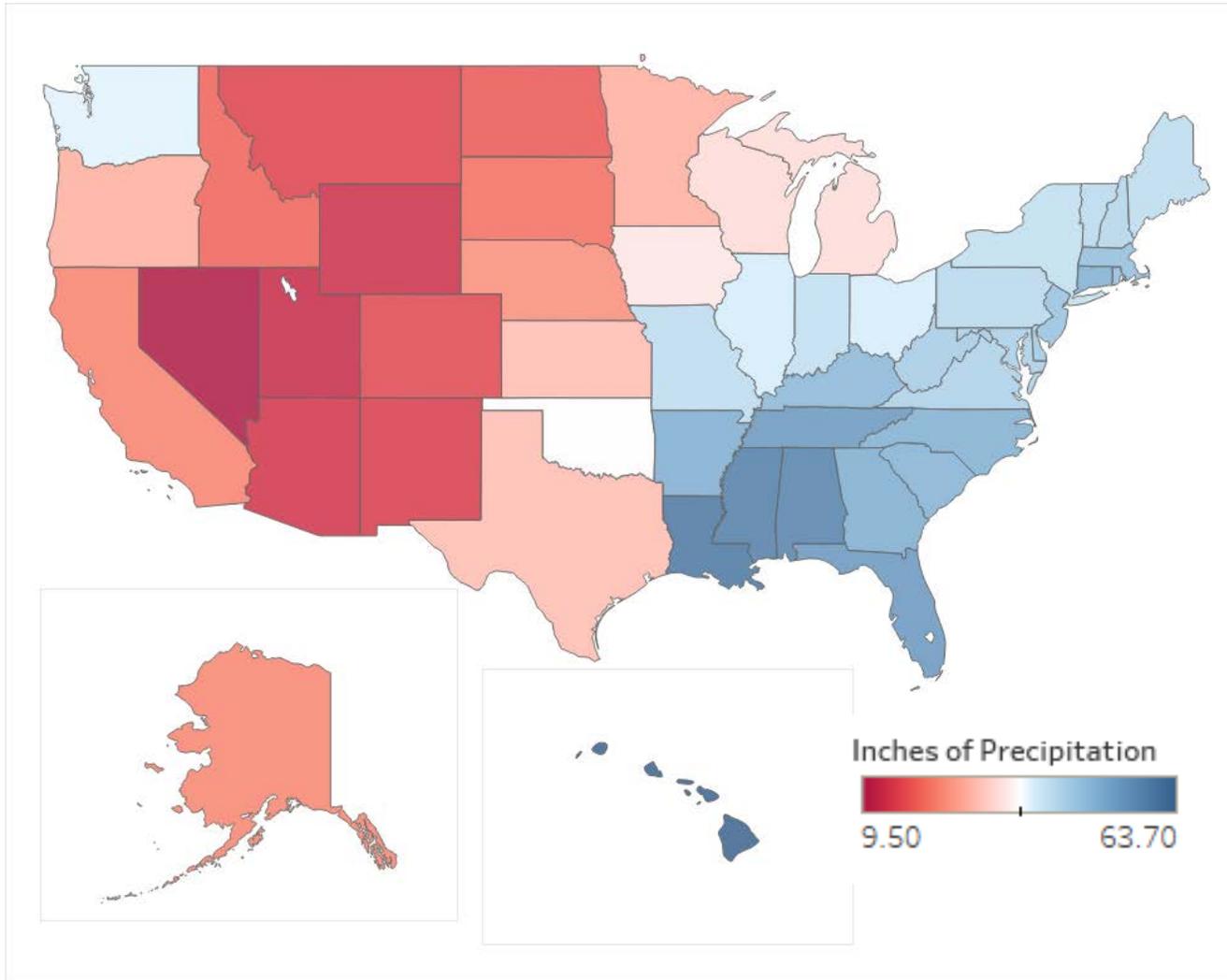
Distracted driving is a 'dangerous epidemic' in Louisiana



La. ranked worst state for distracted driving; AT&T launches campaign to curb problem

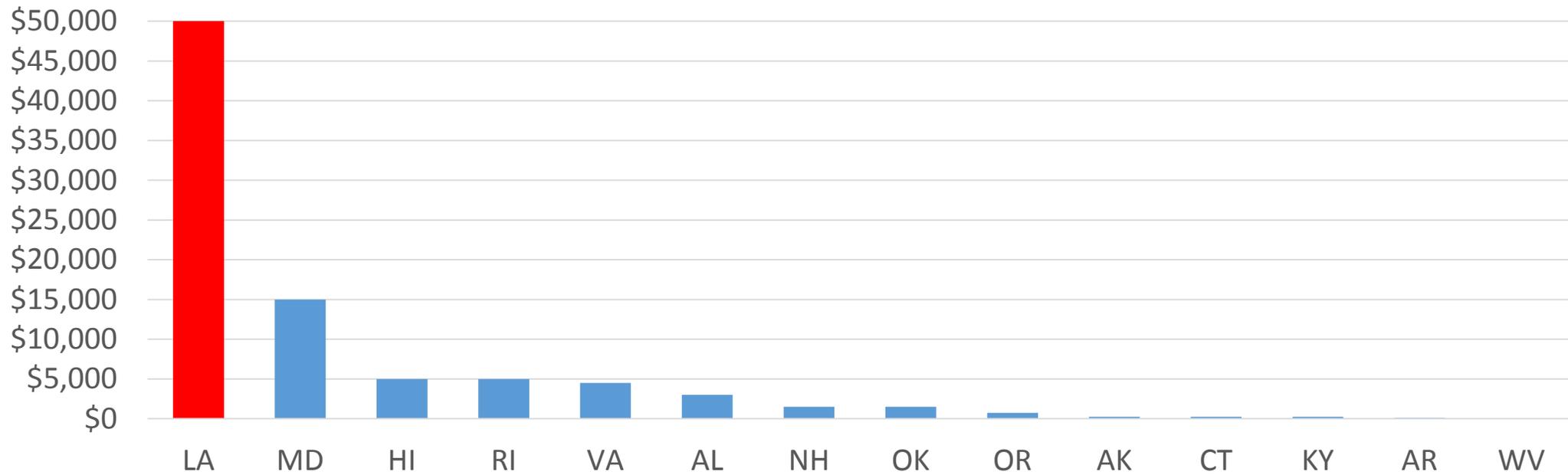


Extreme Weather Events



Tort Environment

Jury Trial Threshold

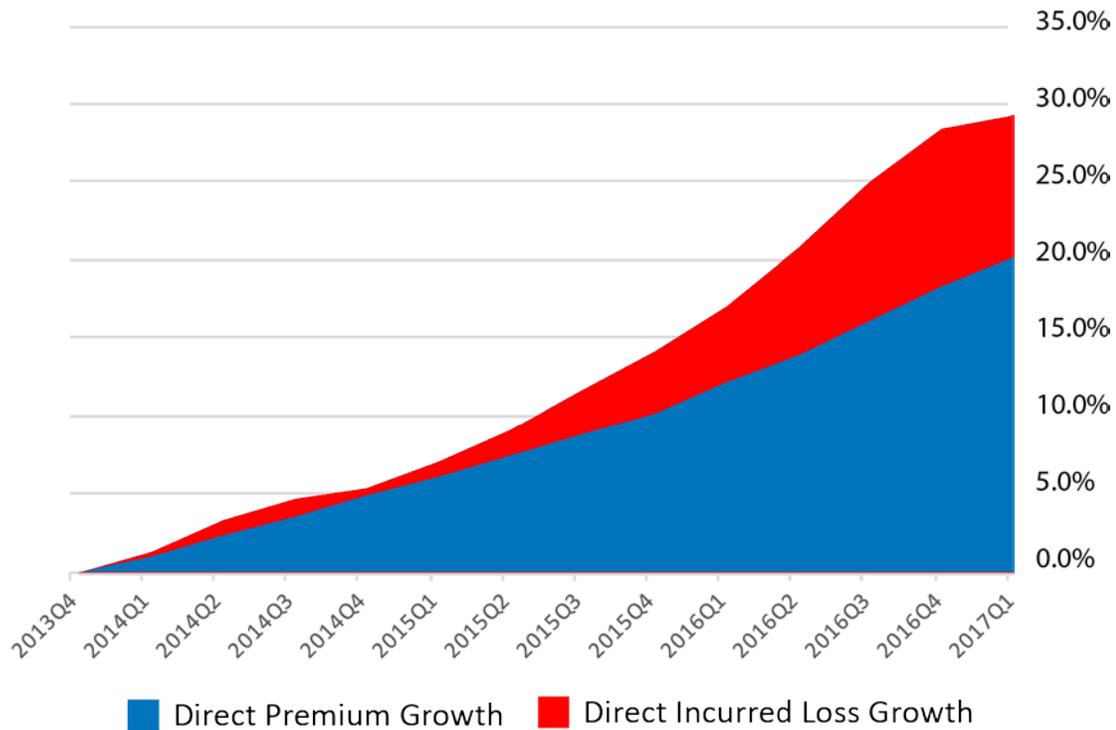


NHTSA 2017 Marijuana Study

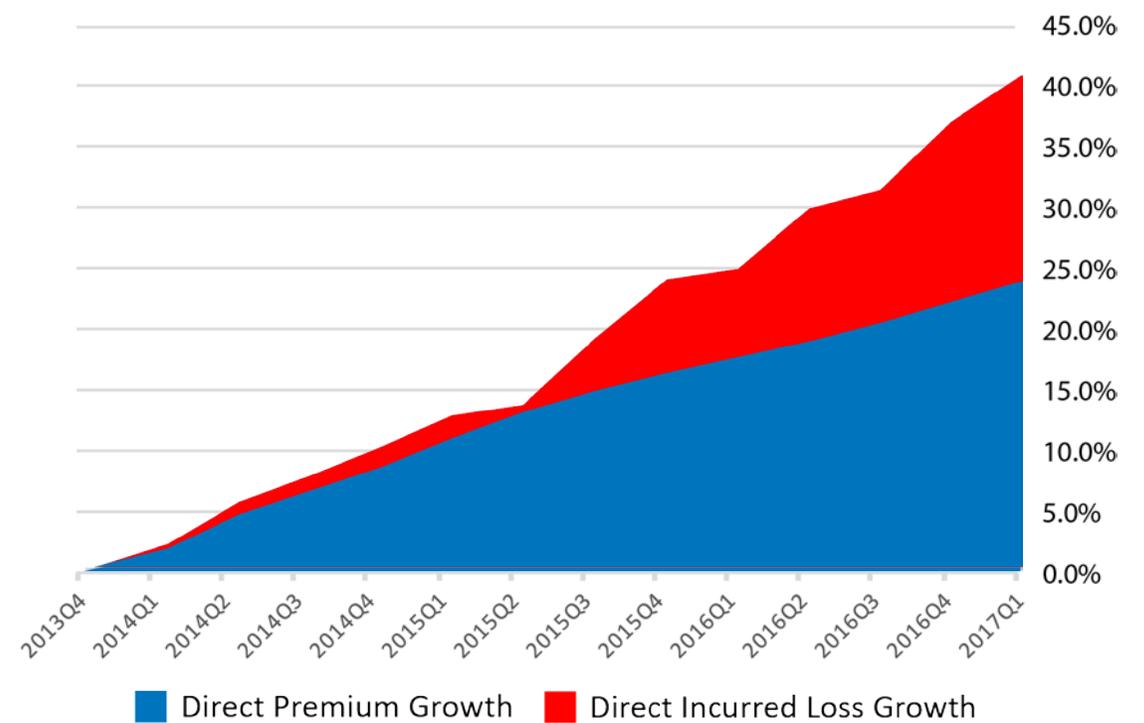
- No reliable method to measure impairment
- Best available method = observations of well-trained officers
- Need to improve data collection on drug impaired driving.
- Make drug-impaired driving a separate offense from drunk driving
- NHTSA to develop “best practice” recommendations for roadside testing

Insurance Premium Growth

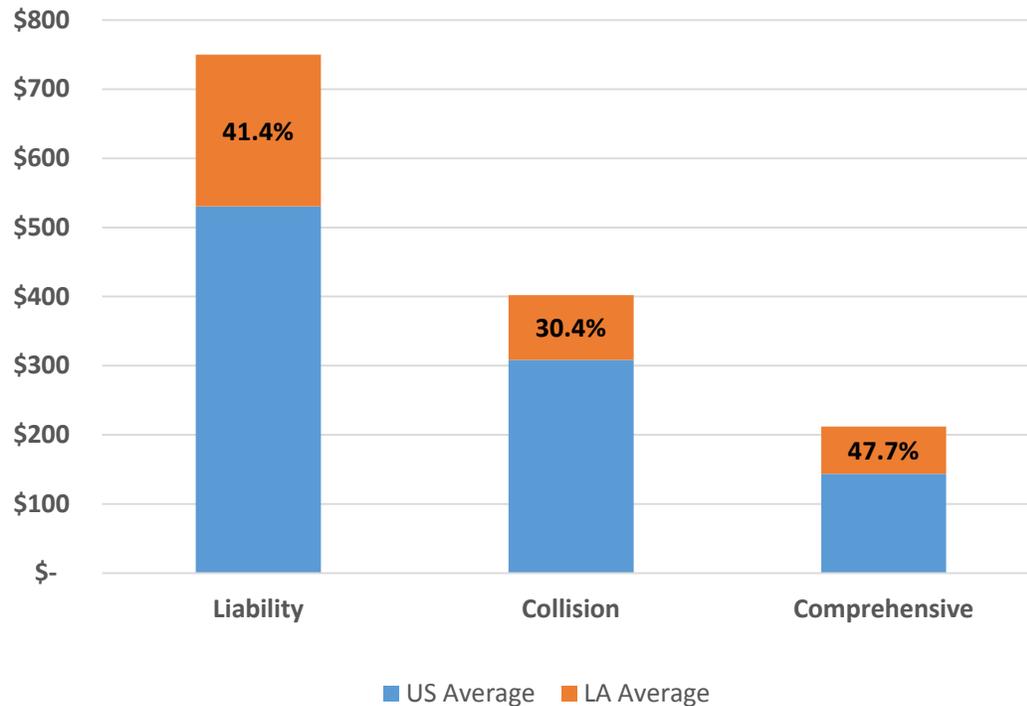
Personal Auto Since 2013



Commercial Auto Since 2013



Silver Medal Premiums

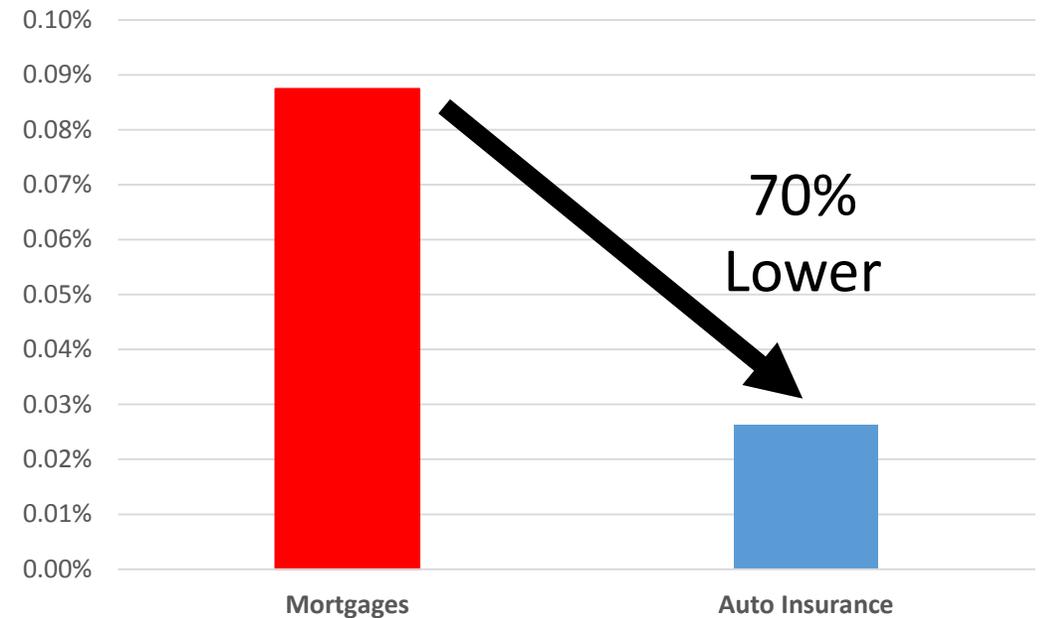


- **2nd highest average overall premiums.**
- 2nd highest average collision premiums.
- 6th highest average combined liability premiums.
- 8th highest average comprehensive premiums.

Good News

“ Overall customer satisfaction with U.S. auto insurers improves in 2017 and is now at a historically high level. ”
 —J.D. Power

Customer Complaint Rates 2015

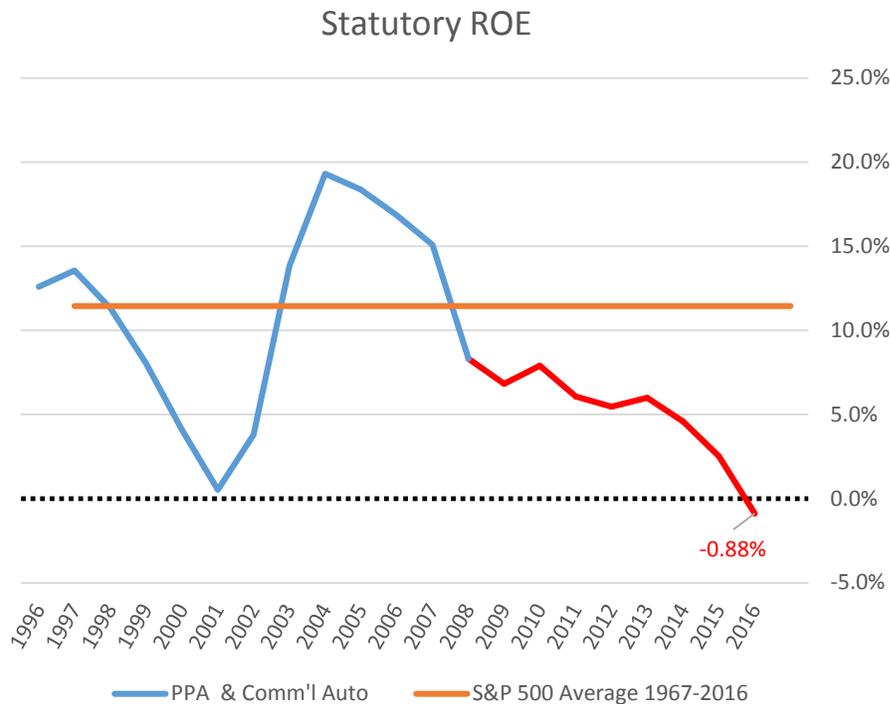


Bad News

Looking To The Horizon

- Worsening Frequency
- Record Severity
- Lagging Premium Growth
- Record Low Investment Income Rate
- Unsustainable Losses
- Record Negative ROE

Record Industry Losses



Increasing Compliance Burdens

Corporate/regulatory compliance expenses jumped **19%** from 2013 to 2015.



Regulatory compliance may have cost property casualty insurers **more than \$1 billion** in 2015.

41% HIGHER Regulatory expenses for small carriers were 41% higher than the industry average.



Solutions for Louisiana

- Apply texting while driving law to all drivers
- Public education on the dangers and costs of distracted driving
- Public education on the “Tort Tax” all consumers and businesses in Louisiana are paying
- Reduce regulatory/compliance costs

Tort Reforms:

- Jury Trial Threshold
- Collateral Source rule
- Direct Action Statute

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