

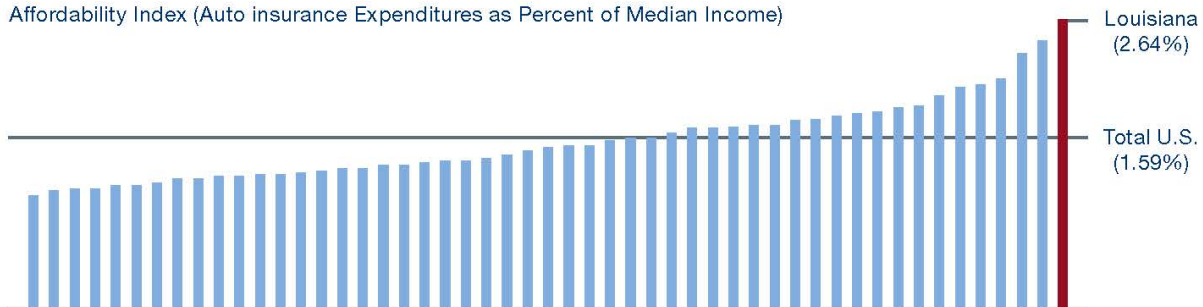
Insurance Research Council

Auto Insurance Affordability: Cost Drivers in Louisiana

The report is part of a larger body of IRC research examining the issue of affordability by identifying the key underlying cost drivers. The specific factors driving high insurance claim costs can vary from state to state. In Louisiana, high accident frequency, high injury claim frequency, extensive attorney involvement, and an expensive legal environment are key cost drivers.


Louisiana's Rank Among Least Affordable States:

Affordability Index (Auto insurance Expenditures as Percent of Median Income)



High accident and insurance claim frequency:

Claim Frequency (Number of Claims per 100 Insured Vehicles)

 = 1 Claim

■ Louisiana ■ All tort states

Bodily Injury Liability
  1.75
 0.9

Property Damage Liability
    4.06
   3.54

Louisiana's average loss cost for bodily injury liability insurance (the amount paid in claims averaged over all insured vehicles, including vehicles without claims) was more than double the countrywide cost.

Higher rates of attorney involvement and litigation:

■ Louisiana ■ Other Tort States

Attorney Involvement
(Percent of BI Claimants Hiring Attorneys)



Litigation
(Percent of BI Claimants Filing Lawsuits)

