

**LOUISIANA DEPARTMENT OF INSURANCE**



**2014 – 2015  
ANNUAL REPORT**



**JAMES J. DONELON  
COMMISSIONER OF INSURANCE**

**LOUISIANA DEPARTMENT OF INSURANCE**

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## LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON  
COMMISSIONER

January 20, 2016

Honorable Members of the Louisiana Legislature:

Once again I respectfully submit the Louisiana Department of Insurance Annual Report for your review. I am pleased to have the opportunity to share with the Legislature and the public a description of the operations performed by the LDI and the quantification of our performance in the 2014-2015 Annual Report as required by statute. Pursuant with our mission, the Department strives to enforce the insurance laws of the state impartially, honestly and expeditiously as well as serving as an advocate for the state's insurance consumers. While maintaining high standards for our regulatory activities, the LDI also monitors competition in the marketplace, educating consumers and encouraging them to seek out the best option for their circumstances, thus ensuring a fair and balanced marketplace for policyholders.

This competitive market can be observed in the rate changes for 2014. At year end, homeowners' rates statewide were up 2.8 percent over the previous year. That's the lowest annual average rate increase since 2005. A large factor in stabilizing those rates over the last ten years is the fact that Louisiana has added 22 insurance groups that were not doing business in our state pre-Katrina and Rita. The addition of these groups has provided more choices for consumers and a larger pool of insurers to absorb policies during the yearly depopulation of Louisiana Citizens Property Insurance Corporation, the state's market of last resort. Since 2008, Citizens' total policy count has dropped from 174,000 to below 88,000 personal and commercial policies which benefits all the state's property insurance policyholders.

Louisiana businesses have also benefited from increased competition resulting in decreased workers compensation rates for the second year in a row. Rates have declined by 37 percent over the last ten years – that means companies today are paying about one-third less than they were paying ten years ago for such coverage. Louisiana also has more companies writing workers compensation. In 2007, there were 197 companies writing workers compensation – by the end of the 2014-2015 Fiscal Year, there were 235 companies – that's an increase of 38 new companies, or 19 percent, over a period of seven years. The Department is on track to continue this trend for a third year with additional rate decreases in the 2015-2016 fiscal period.

Since I assumed office, the Department of Insurance has downsized from 275 authorized staff members to 225 while reducing the agency's budget from \$32 million in 2006 to \$29 million for this fiscal year. Despite those reductions, we are still managing to provide the same consumer service as evidenced by the fact that between January and June of this year we recovered more than \$2.3 million in additional claims payments for policyholders from their insurance companies.

I also want to take this opportunity to acknowledge the dedicated community spirit of the LDI staff, who raised and pledged \$12,251 to the 2015 Baton Rouge Area United Way Campaign and donated 1,312 pounds of nonperishables (equivalent to 1,093) meals to the Baton Rouge Food Bank in its 2014 holiday drive.

Thank you for your interest in and support of the LDI's regulatory responsibilities and be assured that I look forward to working with you to continue to strengthen Louisiana's insurance market for the benefit of our state's citizens and businesses.

Sincerely yours,

A handwritten signature in black ink, appearing to read "James J. Donelon". The signature is fluid and cursive, with a large initial "J" and "D".

James J. Donelon  
Commissioner of Insurance



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# 2014 – 2015 Annual Report of the Commissioner of Insurance State of Louisiana

*Data compiled from Department of Insurance records and annual statements of insurers transacting business in the state of Louisiana.*

**FISCAL YEAR BEGINNING JULY 1, 2014  
ENDING JUNE 30, 2015**

**James J. Donelon**  
Commissioner of Insurance

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**This report is available on the  
Louisiana Department of Insurance website,  
*<http://www.lidi.state.la.us/consumers/resources-publications/reports-to-the-legislature>*.**

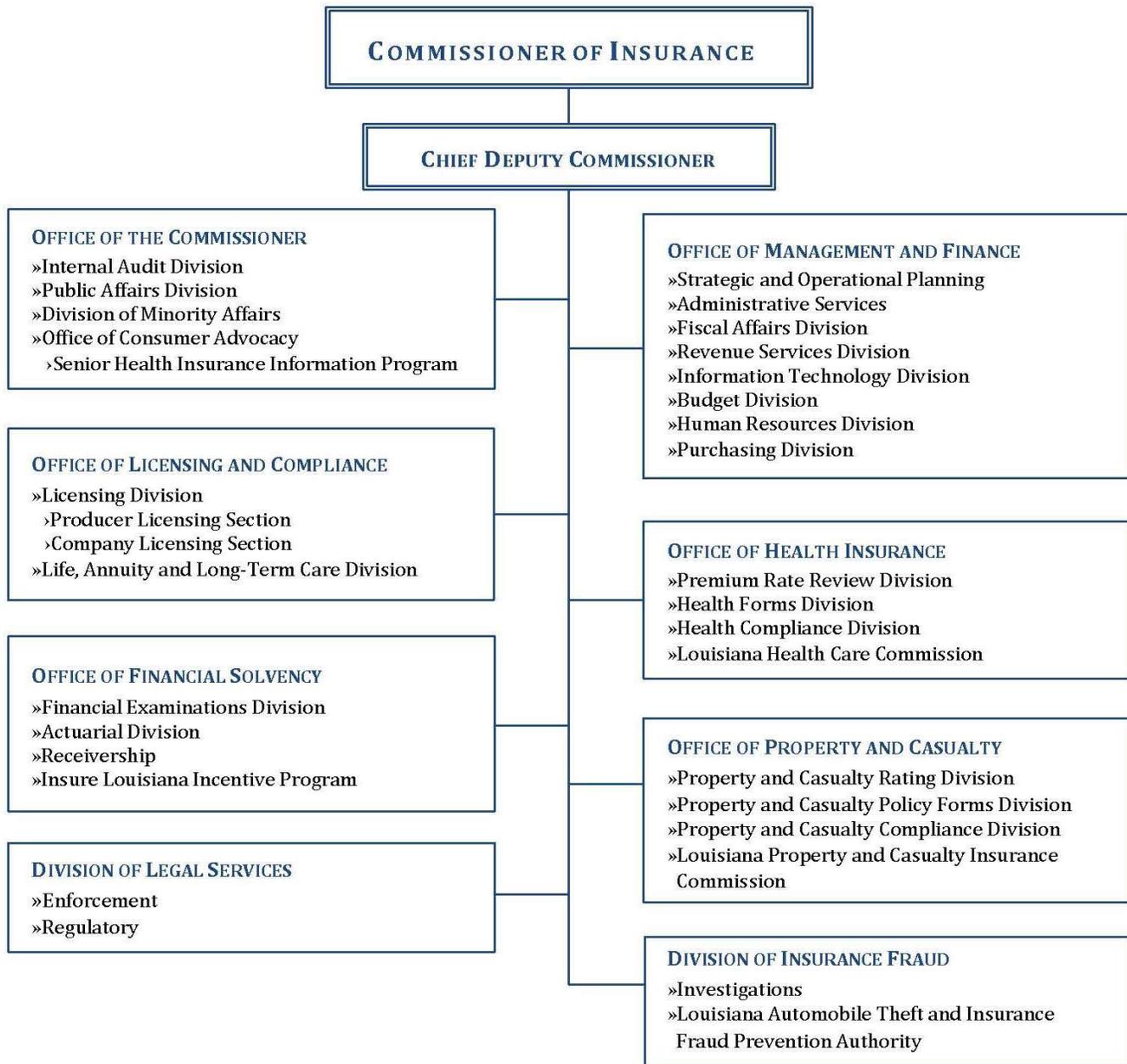


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# Mission Statement

**The mission of the Department of Insurance is to enforce the insurance laws and regulations of the state impartially, honestly and expeditiously. To this end, the highest ethical, professional and work quality standards will be exercised in all formal and informal relationships with individuals, agencies and companies affected by the policies and actions of the Department. It is the Department's commitment to be the best insurance regulatory agency in the United States.**

**AGENCY ORGANIZATION CHART  
AS OF THE 2014 - 2015 FISCAL YEAR**



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# Executive Summary

# EXECUTIVE SUMMARY

The Louisiana Department of Insurance continues to work towards meeting the two basic responsibilities state regulators are charged with: making sure insurers are solvent and financially able to deliver on their promises and secondly, ensuring insurers abide by the law and treat policyholders fairly. By assuring that insurers in Louisiana are financially sound, producers are knowledgeable and all regulated entities are responsive to their policyholders, the LDI performs an essential role in residents' everyday lives and the state economy as a whole.

The LDI incurred a significant reduction to both budget and positions in Fiscal Year 2014-2015 as a result of the state's deficit reduction plan. The LDI operated on a budget of \$32.5 million, including \$1.8 million in federal funds. This reflects a reduction of more than \$1.6 million from the appropriated budget of \$34.1 million at the beginning of the fiscal year. There were 253 positions initially authorized by House Bill 1 of the 2014 Regular Legislative Session, but that was later revised to 243 positions, a reduction of 15 from the prior fiscal year and the lowest total authorized positions in more than 15 years. Despite the reduced personnel levels, the LDI was able to maintain services to both regulated entities and the public, and has maintained its accreditation with the National Association of Insurance Commissioners.

The LDI collected \$454 million in insurance premium tax on behalf of the general fund and \$63 million in assessments on insurance premiums for the benefit of the Municipal Police Retirement, Fire Fighters Retirement, Sheriff's Pension and Relief Fund, and Municipal Fire and Police Civil Service. The LDI reverted more than \$18 million to the state's general fund at yearend.

Regulation of the solvency and market conduct of insurers remains a paramount responsibility of the LDI. Insurers are evaluated for both solvency and market conduct through in-house analysis and field examinations. Financial examinations proceed on a statutory schedule. The LDI analyzed the financial filings of 236 companies in Fiscal Year 2014-2015.

Licensing of insurers and producers provides the regulatory framework to assure that those entering and operating in the insurance industry are knowledgeable, capable, financially responsible and in compliance with applicable laws.

At fiscal year end, Louisiana licensed 112,784 producers (resident and nonresident) and 51,185 licensed claims adjusters (resident and nonresident), including public adjusters. During the year, the Office of Licensing and Compliance processed 63,842 producer license renewals and 572,705 company appointments. Electronic processing continues to improve the LDI's ability to remain efficient. Compared with Fiscal Year 2008-2009, more than twice as many new applicants for producer and adjuster licenses used the online application process.

Administrative provisions promulgated by the LDI through its Division of Legal Services included regulations, directives, advisory letters and bulletins, which are described in this report and available in full on the LDI's website. The Annual Litigation Report required by La. R.S. 36:8.1 is included in the Division of Legal Services chapter of this report and also online at [www.ldi.la.gov/Act204](http://www.ldi.la.gov/Act204).

## EXECUTIVE SUMMARY

The Division of Insurance Fraud works to prevent fraud by performing background checks of licensees and investigating allegations of fraud against regulated entities. The Division received 3,838 reports of suspected fraudulent claims during Fiscal Year 2014-2015. The Division of Insurance Fraud refers cases and provides evidentiary support to state police and local law enforcement as LDI fraud investigators do not have arrest power.

The LDI served the public and the insurance industry in responding to public records requests and to numerous inquiries, through phone calls, mailed and faxed requests and web-based systems. Outreach efforts of the LDI take place through many avenues including through the Office of Consumer Advocacy, the Senior Health Insurance Information Program, the Louisiana Automobile Theft and Insurance Fraud Prevention Authority, the Louisiana Property and Casualty Insurance Commission and the Louisiana Health Care Commission.

The Annual Report includes historical comparisons in most tables, including three-year histories in the activities tables, and recommended links on the LDI website, which provide frequently accessed and valued information to the public and to regulated entities.

This document and prior Annual Reports will remain accessible on the Department's website, [www.ldi.la.gov/consumers/resources-publications/reports-to-the-legislature](http://www.ldi.la.gov/consumers/resources-publications/reports-to-the-legislature). Additional performance data is available through the Division of Administration Office of Planning and Budget LaPAS reporting system at <http://www.doa.la.gov/Pages/opb/lapas/lapas.aspx>.

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# Office of the Commissioner

# OFFICE OF THE COMMISSIONER

*The Louisiana Department of Insurance was reaccredited by the National Association of Insurance Commissioners in August 2014.*

## INTERNAL AUDIT DIVISION

The Internal Audit Division, established in 1992, reports administratively to the Commissioner of Insurance through the Chief Deputy Commissioner. Its main purpose is to assist management by providing independent assessments that identify deficiencies in departmental operations and by making recommendations for corrective actions and potential process improvements. In order to fulfill this purpose, the Internal Auditor has full and unrestricted access to all departmental activities, records, property and personnel.

This Division's goals are to conduct effective and timely audits of Department offices and divisions; to produce objective audit reports with appropriate constructive criticism; to assist management in determining changes that may need to be addressed; to eliminate repeat findings in audit reports received from the Louisiana Legislative Auditor; and to ensure the continuing education and professional training of its staff. As part of the annual audit schedule, the Internal Auditor conducts follow-up visits to areas previously audited to ensure that corrective actions have been implemented.

The Internal Auditor also performs special projects and reviews as assigned by the Commissioner or requested by other division managers.

## PUBLIC AFFAIRS DIVISION

The Public Affairs Division reports directly to the Commissioner of Insurance. Its major function includes communicating timely, accurate and relevant information to consumers, industry and the press. This is accomplished through the dissemination of materials such as press releases, handouts, newsletters, columns and social media.

Each year the Public Affairs Division creates and manages public awareness projects, including campaigns to encourage preparedness for storm season, to raise awareness of Medicare services available to seniors through the Senior Health Insurance Information Program and to prevent insurance fraud and vehicle theft. The Public Affairs Division also conducts an annual public relations campaign to encourage property owners to file for the Citizens Assessment Rebate. This Division creates and maintains content on the LDI website, manages the public email system, coordinates all media calls and public information requests, and arranges media interviews and speaking engagements for the Commissioner.

**OFFICE OF THE COMMISSIONER**  
**PUBLIC AFFAIRS DIVISION**

This Division produces more than a dozen consumer guides which include information on purchasing homeowners, health, automobile and life insurance, preparing for disasters and spotting insurance fraud.

During the 2014-2015 Fiscal Year, the Public Affairs Division developed and launched a new website organized by Consumer and Industry in order to make the site more useful and efficient to both the consumers the Department services and the industry the Department regulates. Some new and improved features on the site include a responsive design compatible with mobile devices, an online consumer complaint tracking system, an Electronic Rate and Form Filing Access System that allows easier access to health and property and casualty rates and forms, a new public records request system and a new section for Frequently Asked Questions.

This year the Division managed a new Senior Health Insurance Information Program public awareness campaign aimed at informing Medicare beneficiaries about organizations the Senior Health Insurance Information Program has partnered with across the state that can assist beneficiaries with their Medicare questions and concerns in their own communities. This initiative included an online interactive map where beneficiaries can connect with Senior Health Insurance Information Program Partners in their area, an online social media campaign and a television public service announcement campaign, all of which targeted seniors geographically.

The Division also worked with the Louisiana Automobile Theft and Insurance Fraud Prevention Authority to conduct the first statewide “Protect My Ride Louisiana” high school video contest. The contest aim is to educate and raise awareness of automobile theft among teenagers across the state, and is expected to become an annual initiative.

## **DIVISION OF MINORITY AFFAIRS**

### **LA. R.S. 22:31(5) REPORT BY THE DIVISION OF MINORITY AFFAIRS**

*To submit an annual report by April first of each year to the House and Senate insurance committees relative to educational and informational services made available to minorities, the number and types of inquiries, and all available relevant information from applicants and producers.*

## **LEGISLATIVE BACKGROUND**

In 1984, the Governor signed Act 850 into law creating the Division of Minority Affairs. This Act provides the regulatory umbrella to assure “equal opportunity in insurance” for the citizens of Louisiana.

**OFFICE OF THE COMMISSIONER**  
**DIVISION OF MINORITY AFFAIRS**

The Advisory Committee on Equal Opportunity advises and assists the Division in carrying out its duties. The Advisory Committee may also review claims of discrimination in insurance business practices and report to the Commissioner of Insurance any apparent discrimination violations. Originally comprised of 16 members representing insurers, producers and minorities, the 2009 Legislature expanded membership to 23.

## **PURPOSE**

The purpose of the Division of Minority Affairs is to assist individuals and small, minority and disadvantaged insurance agencies and producers by providing educational and informational services which foster a greater understanding of the career and business opportunities available in the insurance industry, and greater awareness of the skills and training necessary to prepare for opportunities in employment, appointment as producers and contracting for services with insurance companies. To accomplish this purpose, the Division of Minority Affairs:

- » Surveys insurance companies to obtain statistical information on the number of minorities employed in industry-related career positions, then uses this information to expand the number of minority and disadvantaged persons in the insurance industry.
- » Offers training programs for individuals as well as small, minority and disadvantaged agencies and producers.
- » Strives to increase the number of standard contracts for small, minority and disadvantaged producers with standard insurers.
- » Provides insurance information services to groups of minority and disadvantaged consumers, churches and small businesses.
- » Recruits minority producers, underwriters and insurance industry employees through the LDI website.
- » Develops working relationships with university personnel to promote academic concentrations in insurance.
- » Adopted the InVest Program to teach high school and college students about the opportunities in the insurance industry.

## **MEMBERSHIP OF THE ADVISORY COMMITTEE ON EQUAL OPPORTUNITY**

The members of the Advisory Committee on Equal Opportunity are responsible for assisting the Division of Minority Affairs in its purpose.

The Advisory Committee on Equal Opportunity is composed of 25 members. Twenty-four members represent the insurance industry, universities and trade and professional associations, both state and national. The Deputy Commissioner of Minority Affairs serves as the twenty-fifth member.

## **HIGHLIGHTS**

- » The Division of Minority Affairs responded to 92 minority inquiries, 9 of which were requests for assistance with obtaining standard contracts with standard insurers.
- » The Division of Minority Affairs worked with the Eighth Episcopal District of African Methodist Episcopal Churches (which consists of approximately 115 churches in Louisiana and their congregations) to distribute information created by the Division of Minority Affairs and to assist them in obtaining proper insurance coverage for the church and for the underinsured and uninsured congregations.
- » Twenty-seven companies and agencies have agreed to post vacancies to the LDI's Division of Minority Affairs website.
- » The Division of Minority Affairs participated in nine career workshops and seminars throughout Louisiana. These seminars and workshops provided students and consumers with information on educational and employment opportunities within the insurance industry.
- » Consumer guides were distributed at a variety of events including legislative town hall meetings, community events and church conferences. The Division also participated in business workshops and seminars with presentations entitled "Managing Risks for Your Business" and "Managing Risk for Your Place of Worship."
- » The Division of Minority Affairs worked with the Baton Rouge, New Orleans and Shreveport campuses of the Southern University System to establish academic programs in insurance.
- » The Louisiana Municipal Association Black Caucus, the Police Jury Association of Louisiana Black Caucus and the Louisiana Legislative Black Caucus worked with the Division to develop awareness about opportunities in the insurance industry.
- » The Division of Minority Affairs continued to work with three minority agencies to provide technical assistance in forming a cluster to obtain contracts with insurance companies and to compete for local, state and federal insurance contracts.
- » The Division of Minority Affairs will continue to work with insurance programs at the University of Louisiana Lafayette and Southern University System to promote their insurance programs.
- » The Division of Minority Affairs worked with the National African American Insurance Association during its annual conference in New Orleans. The Division of Minority Affairs worked closely with the National Chapter to develop the new Southeast Louisiana Chapter of the National African American Insurance Association.
- » The Division of Minority Affairs will continue to work with the National African American Insurance Association's local chapter to increase minority participation in the insurance industry.
- » The Division of Minority Affairs will establish an InVest Program at Zachary High School.

**OFFICE OF THE COMMISSIONER**  
**DIVISION OF MINORITY AFFAIRS**

**TABLE 1    ACTIVITIES OF THE DIVISION OF MINORITY AFFAIRS**  
**THREE-YEAR HISTORY**

	<i>Fiscal Year 2014-2015</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>
Producers/Agencies Assisted	52	36	19
Consumer/Producer Complaints/ General Information Cases Handled	92	79	69
Complaints Referred to Advisory Committee	9	0	0
Training/Seminars Conducted	2	3	5
Training/Seminar Attendees	759	105	366
Business Plan Assistance	1	1	0
Company Positions Posted	0	4	16
Industry Jobs Obtained from Postings	0	0	0
Producers Assisted with Obtaining Contracts	9	16	0
Students Who Completed InVest Program	42	*	*

\*The InVest Program was established during Fiscal Year 2014-2015.

## OFFICE OF CONSUMER ADVOCACY

The Office of Consumer Advocacy was created by Act 222 of the 2007 Regular Session of the Louisiana Legislature to assist consumers with insurance inquiries and to enforce the Policyholder Bill of Rights (La. R.S. 22:41). From its inception, the Office of Consumer Advocacy has worked regularly with other LDI divisions to answer consumers’ questions, to disseminate information to the public and to report violations of rules, regulations and laws.

During Fiscal Year 2014-2015, the Office of Consumer Advocacy focused its activities on responding to consumer inquiries, performing quality management audits, and maintaining its role in community outreach. This Office also remains available to assist the various divisions within the LDI and will perform a second review of a complaint file, upon request.

Table 2 summarizes the inquiries and file audits handled by the Office of Consumer Advocacy. Table 3 summarizes the outreach activities of the Office of Consumer Advocacy.

**AUDITS OF THE LDI COMPLIANCE DIVISIONS**      **TABLE 2**

<i>Category</i>	<i>Audits</i>	<i>Inquiries</i>	<i>Percent</i>
Property and Casualty	154	1	47.33%
Health	121	4	38.67%
Life, Annuity and Long-Term Care	45	1	14.00%
<b>TOTALS</b>	<b>320</b>	<b>6</b>	<b>100.0%</b>

## OUTREACH ACTIVITIES

The Office of Consumer Advocacy staff attended numerous speaking engagements throughout the state to educate consumers about insurance. This Office’s staff served as guest speakers for professional and civic organizations, senior centers, legislative forums and town hall meetings. At these meetings, Office of Consumer Advocacy staff spoke on topics of a timely subject of the host organization’s choice and provided informational brochures and question and answer sessions. Staff of the Office of Consumer Advocacy explained the functions of the LDI, discussed the many divisions within the LDI and explained to consumers what programs are available to assist them. While educating consumers, the Office of Consumer Advocacy staff emphasized the need for policyholders to read and understand what is covered by their policies, to contact their producer with questions and to be aware of the rights afforded them through the Policyholder Bill of Rights.

**ACTIVITIES OF THE OFFICE OF CONSUMER ADVOCACY**      **TABLE 3**  
**THREE-YEAR HISTORY**

	<i>Fiscal Year</i> <i>2014-2015</i>	<i>Fiscal Year</i> <i>2013-2014</i>	<i>Fiscal Year</i> <i>2012-2013</i>
Speaking Engagements	49	69	56
Informational Packets Distributed	6,303	5,426	3,675

## SENIOR HEALTH INSURANCE INFORMATION PROGRAM

The Senior Health Insurance Information Program is within the Office of Consumer Advocacy. Its purpose is to broaden the educational services available to senior citizens, Medicare beneficiaries, Medicare eligibles and their families by providing information, counseling and assistance on Medicare as well as other health insurance. The Senior Health Insurance Information Program’s activities were entirely funded by federal grants.

The Senior Health Insurance Information Program staff communicates objective health information to seniors by conducting in-person and telephone counseling sessions, providing speakers for community and other functions, participating in media activities and developing and distributing educational materials. In addition, the Program recruits and trains counselors statewide on Medicare, Medicaid, Medicare supplement insurance, long-term care insurance, Medicare Advantage and Medicare prescription drug plans. The counselors are supported by local sponsoring organizations.

The Senior Health Insurance Information Program serves as the vital link between beneficiaries, other state and federal entities, and local and professional organizations. Such entities include the Social Security Administration, Federally Qualified Health Centers, the Governor’s Office of Elderly Affairs, Medicaid, E Health Solutions, congressional and state legislative offices, parish and local councils as well as area agencies on aging, social service agencies, hospital senior programs, local support groups and churches.

**TABLE 4 ASSISTANCE PROVIDED TO SENIOR CITIZENS BY THE SENIOR HEALTH INSURANCE INFORMATION PROGRAM AND COUNSELORS\*  
THREE-YEAR HISTORY**

	<i>Fiscal Year 2014-2015</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>
Number of Hours Logged by Counselors	9,865	9,536	9,776
Number of Seniors Receiving Services (provided via telephone, email, postal mail and face-to-face contact)	20,863	21,657	14,242
Estimated Savings to Counseled Senior Health Clients	\$1,503,681	\$2,887,954	\$6,378,429
Number of Publications Disseminated	76,189	564,520	103,397
Number of Senior Health Group Presentations Provided (health fairs, senior fairs and enrollment events)	422	657	363
Number of Individuals in Attendance at Presentations	12,868	17,500	23,879
Number of Senior Health Counselor Training Sessions Conducted	7	316	21
Number of Persons Provided Enrollment Assistance	1,567	1,704	935

\*This summary includes reports from Senior Health Insurance Information Program partners received subsequent to the LaPAS deadline.

## HELPFUL LINKS

Email Notification Request, <https://www.ldi.la.gov/onlineservices/EmailNotification/request.aspx>. The Public Affairs Division monitors the Email Notification Request Form for those interested in receiving Department updates, press releases and newsletters via email.

Interactive Homeowner and Auto Insurance Rate Comparison Guide, <http://www.ldi.la.gov/online-services/shop-your-rates>. The interactive Homeowner and Auto Insurance Rate Comparison Guide allows consumers to view sample rates for different areas of the state.

LDI videos on YouTube, [www.youtube.com/LAInsuranceDept](http://www.youtube.com/LAInsuranceDept). Viewers can watch informational videos on insurance topics as well as archived press conferences.

Job postings through the Division of Minority Affairs, <http://www.ldi.la.gov/industry/resources-and-publications/minority-affairs/job-opportunities>. This Division works with companies and agencies to post vacancies on the Department website.

The Office of Consumer Advocacy monthly newsletter, <http://www.ldi.la.gov/consumers/resources-publications/consumer-advocacy/newsletters>. All Office of Consumer Advocacy newsletters from April 2010 through current.

The Office of Consumer Advocacy brochure for more information about the Office and a copy of the Policyholder Bill of Rights, <http://www.ldi.la.gov/docs/default-source/documents/publicaffairs/consumerpublications/consumer-advocacy.pdf?sfvrsn=9>.

A listing of upcoming LDI meetings, including Office of Consumer Advocacy and Senior Health Insurance Information Program presentations across the state of Louisiana, <http://www.ldi.la.gov/events>. This page also contains a link to regulatory public hearings.

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# Office of Management and Finance

# OFFICE OF MANAGEMENT AND FINANCE

Management and Finance has eight divisions that oversee the day-to-day operations of the Department:

- » Strategic and Operational Planning
- » Administrative Services
- » Fiscal Affairs Division
- » Revenue Services Division
- » Information Technology Division
- » Budget Division
- » Human Resources Division
- » Purchasing Division

## STRATEGIC AND OPERATIONAL PLANNING

Strategic and Operational Plans were legislatively mandated in 1997. Each year, this Division drafts the LDI Operational Plan; collects, analyzes and reports quarterly performance results for the Department's program activities; collects information for legislative fiscal notes; and writes economic and family impact statements for all LDI rules promulgated. During the 2015 Regular Legislative Session, the Division provided information to the Legislative Fiscal Office for its development of 17 fiscal notes. In Fiscal Year 2014-2015, the Department tracked and reported on 33 key (quarterly) performance indicators and 14 supporting (semi-annual) performance indicators and provided general performance data in 92 reportable areas. To view the Department's performance information, in addition to the activity information contained in this annual report, visit [www.doa.louisiana.gov/opb/lapas/lapas.htm](http://www.doa.louisiana.gov/opb/lapas/lapas.htm).

## ADMINISTRATIVE SERVICES

The Administrative Services Division was formed in 1997 to improve the provision of necessary support services to employees of the LDI. All services are performed or provided in accordance with state laws, rules, regulations and Department procedures and policies. Following is a summary of the sections assigned to this Division and a brief description of each.

### MAIL ROOM

Handles all mail and messenger services, manages maintenance of the Department's automobiles and oversees document storage and shredding.

## **OFFICE OF MANAGEMENT AND FINANCE**

### **ADMINISTRATIVE SERVICES**

#### **BUILDING SERVICES**

Coordinates routine maintenance and repair of the Poydras Building (Department of Insurance) with an on-site employee of State Buildings and Grounds. Items requiring special skills or outside vendors are coordinated with State Buildings and Grounds personnel or outside vendors.

#### **TELECOMMUNICATION SERVICES**

Manages and processes all telephone services including local and long distance, voicemail, Department and individual requests in conjunction with the Office of Telecommunications Management and a private vendor; provides wiring and repair services when needed.

#### **PROPERTY CONTROL AND PHYSICAL INVENTORY**

Manages the records of items purchased by the Department and tagging of items as required by law, and prepares and submits monthly reports of acquisitions and items sent to surplus. An annual physical inventory certification report is completed in June and submitted to the Louisiana Property Assistance Agency.

#### **VEHICLE SERVICES**

Coordinates the use and maintenance of the Department's fleet automobiles.

#### **FILE ROOM**

Processes requests for copies of public information; gives consumers the ratings, financial status, addresses, telephone numbers and agent for service on insurance companies; receives and enters information from insurers' quarterly and annual statements; files all correspondence or information that pertains to insurance companies licensed to do business in Louisiana; processes requests for certified copies; and prepares invoices for all copy requests.

# FISCAL AFFAIRS DIVISION

The Fiscal Affairs Division manages and protects the Department of Insurance’s real and monetary assets and is responsible for statutory deposits, travel, accounts payable and accounts receivable.

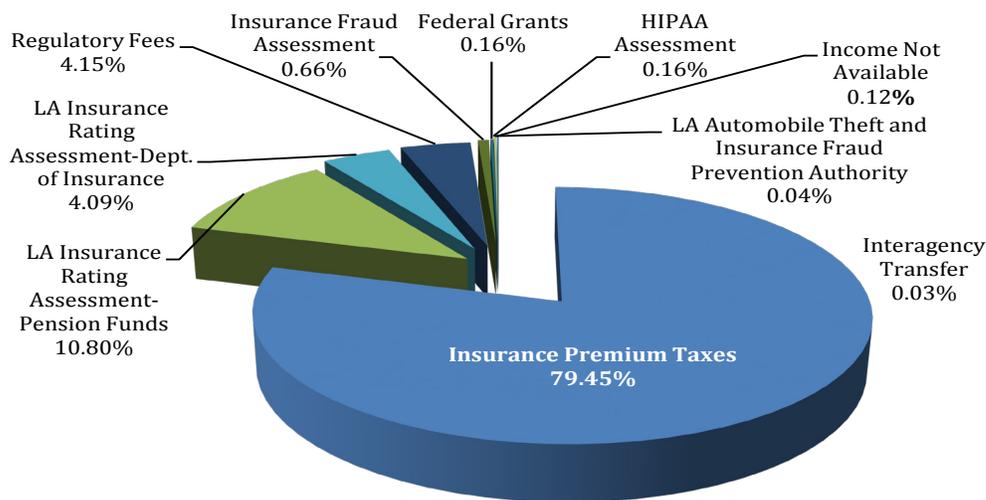
## TOTAL DEPARTMENT FUND SOURCES

For Fiscal Year 2014-2015, the Department of Insurance receipts totaled \$571.5 million. Insurance Premium Tax represents the largest portion at 79.45 percent, or \$454 million. In addition to the Insurance Premium Taxes, the Department collections include Pension Fund Assessments (Louisiana Insurance Rating) at 11.02 percent, or \$63 million; Regulatory Fees and Louisiana Insurance Rating Assessment at 8.44 percent, or \$48.2 million; and the Insurance Fraud Assessment at 0.66 percent, or \$3.77 million (excludes \$187,000 transferred to the Louisiana Automobile Theft and Insurance Fraud Prevention Authority Fund).

Insurance Premium Taxes, Pension Fund Assessments, Insurance Fraud Assessment (excluding the LDI portion – \$426,245.90) and Income Not Available represent the bulk of collections at 91.1 percent, or \$520.8 million, and are not used to finance the Department’s operations.

The remaining 8.7 percent, or \$50.7 million, represents a combination of regulatory fees and the Louisiana Insurance Rating Assessment, the Health Insurance Portability and Accountability Act Assessment, Federal Grants (Senior Health Insurance Information Program and Premium Rate Review), Insurance Fraud Assessment (LDI portion only – \$426,245.90), Louisiana Automobile Theft and Insurance Fraud Prevention Authority funds and an Interagency Transfer (Office of Elderly Affairs - Senior Health Insurance Information Program), which may be used to finance the operations of the LDI.

**CHART 1 TOTAL DEPARTMENT FUND SOURCES**



**TOTAL DEPARTMENT FUND SOURCES      TABLE 5**  
**TWO-YEAR HISTORY**

	<i>Fiscal Year 2014-2015</i>		<i>Fiscal Year 2013-2014</i>	
Insurance Premium Taxes	79.45%	\$454,081,223.02	79.79%	\$445,508,675.37
Louisiana Insurance Rating Assessment - Pension Funds	11.02%	63,005,045.64	10.80%	60,272,205.25
Louisiana Insurance Rating - Department of Insurance	4.18%	23,898,465.14	4.09%	22,861,571.76
Regulatory Fees and Licenses	4.26%	24,348,733.41	4.15%	23,180,236.31
Insurance Fraud Assessment	0.66%	3,777,990.32	0.66%	3,705,958.30
Federal Grants	0.19%	1,080,019.00	0.16%	909,702.00
Health Information Portability and Accountability Act Assessment	0.14%	785,019.08	0.16%	869,781.24
Income Not Available*	0.07%	397,307.98	0.12%	676,120.26
Louisiana Automobile Theft and Insurance Fraud Prevention Authority	0.03%	195,131.00	0.04%	223,957.00
Interagency Transfer (Office of Elderly Affairs - Senior Health Insurance Information Program)	n/a	n/a	0.03%	145,702.48
<b>TOTALS</b>	<b>100.00%</b>	<b>\$571,568,934.59</b>	<b>100.00%</b>	<b>\$558,353,909.97</b>

\*Income Not Available consists of collections by the Department which cannot be expended. These state general fund collections include the sale of surplus property, prior year accounts receivable collections, etc.

## **TOTAL DEPARTMENT COLLECTION OF FUNDS**

The majority of funds collected by the Department were deposited to the State of Louisiana Department of Treasury for use as general funds.

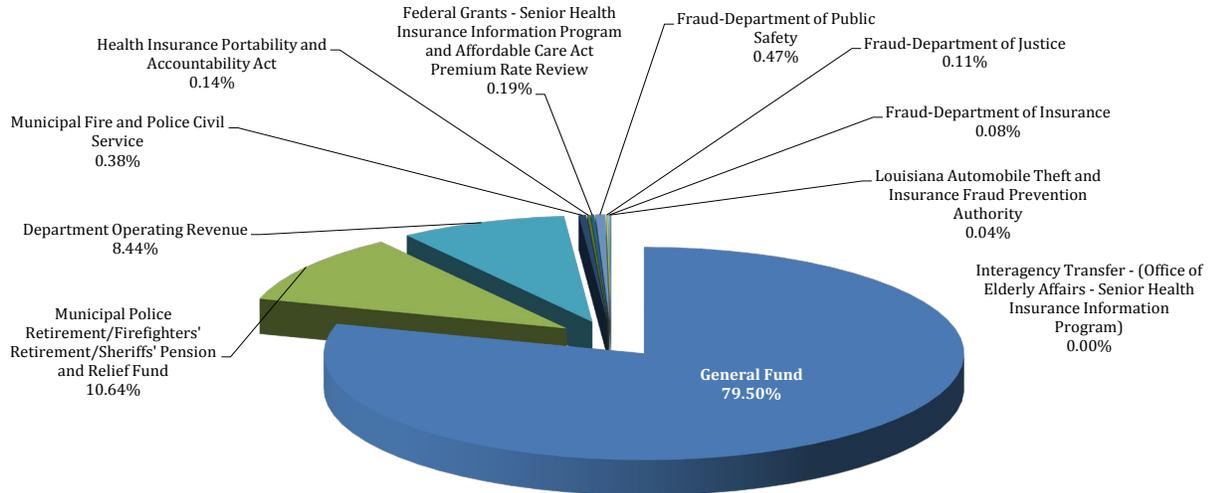
Of the \$571.6 million collected in Fiscal Year 2014-2015, \$454.4 million was classified as State General Funds and \$117.1 million was used to finance programs. Among the dedicated programs receiving funding were various law enforcement and firefighter retirement programs, which received \$60.8 million, and Municipal Fire and Police Civil Service, which received \$2.1 million of the funds collected.

The collection of \$50.7 million is a combination of Regulatory Fees and Louisiana Insurance Rating Assessment, Federal Grant and Statutory Dedicated funds used by the Department as its operating source.

The total collection for the Insurance Fraud Assessment is divided between the Department of Public Safety (75 percent), the Department of Justice (15 percent) and the Department of Insurance (ten percent). Prior to making the allocations specified, the Commissioner of Insurance is authorized to withhold the sum of \$30,000 to defray the cost of collecting the assessment and withhold \$187,000 to fund the Louisiana Automobile Theft and Insurance Fraud Prevention Authority, in accordance with La. R.S. 40:1428(A)(4)(a).

**OFFICE OF MANAGEMENT AND FINANCE**  
**FISCAL AFFAIRS DIVISION**

**CHART 2 TOTAL DEPARTMENT COLLECTION OF FUNDS**



**TABLE 6 TOTAL DEPARTMENT COLLECTION OF FUNDS TWO-YEAR HISTORY**

	<i>Fiscal Year 2014-2015</i>		<i>Fiscal Year 2013-2014</i>	
General Fund	79.50%	\$454,478,531.00	79.91%	\$446,184,795.63
Municipal Police Retirement/Firefighters' Retirement/Sheriffs' Pension and Relief Fund	10.64%	60,832,457.82	10.42%	58,195,005.71
Department Operating Revenue	8.44%	48,247,198.55	8.25%	46,041,808.07
Municipal Fire and Police Civil Service	0.38%	2,172,587.82	0.37%	2,077,199.54
Health Information Portability and Accountability Act	0.15%	822,692.63	0.16%	869,781.24
Federal Grant (Senior Health Insurance Information Program and Premium Rate Review)	0.19%	1,080,019.00	0.16%	909,702.00
Fraud Assessment: Department of Public Safety	0.47%	2,698,168.56	0.48%	2,693,397.40
Fraud Assessment: Department of Justice	0.11%	653,575.86	0.10%	584,364.69
Fraud Assessment: Department of Insurance	0.08%	461,689.71	0.08%	428,196.21
Louisiana Automobile Theft and Insurance Fraud Prevention Authority	0.04%	224,218.61	0.04%	223,957.00
Interagency Transfer (Office of Elderly Affairs - Senior Health Insurance Information Program)	n/a	n/a	0.03%	145,702.48
<b>TOTALS*</b>	<b>100.0%</b>	<b>\$571,671,139.56</b>	<b>100.0%</b>	<b>\$558,353,909.97</b>

\*Total includes \$102,204.97 of carry forward funds from Fiscal Year 2013-2014. (\$35,443.81 of Fraud - Carry Forward and \$29,087.61 of Louisiana Automobile Theft and Insurance Fraud Prevention Authority - Carry Forward and \$37,673.55 of Health Information Portability and Accountability Act.)

**STATEMENT OF REVENUES AND EXPENDITURES**      **TABLE 7**

<i>Revenues</i>	
Insurance Premium Taxes	\$454,081,223.02
Louisiana Insurance Rating Assessment - Pension Fund	63,005,045.64
Regulatory Fees	24,348,733.41
Louisiana Insurance Rating Assessment - LDI	23,898,465.14
Insurance Fraud Assessment	3,777,990.32
Fraud - Carry Forward from Fiscal Year 2013-2014	35,443.81
Health Insurance Portability and Accountability Act Assessment	785,019.08
Health Insurance Portability and Accountability Act - Carry Forward from Fiscal Year 2013-2014	37,673.55
Louisiana Automobile Theft and Insurance Fraud Prevention Authority	195,131.00
Louisiana Automobile Theft and Insurance Fraud Prevention Authority - Carry Forward from Fiscal Year 2013-2014	29,087.61
Federal Grant - Senior Health Insurance Information Program	717,139.00
Federal Grant - Affordable Care Act - Premium Rate Review	362,880.00
Interagency Transfer (Office of Elderly Affairs - Senior Health Insurance Information Program)	-
Income Not Available	397,307.98
Total Revenues	\$571,671,139.56
<i>Expenditures</i>	
Personal Services	\$22,868,326.02
Travel	241,951.83
Operating Services	1,950,317.09
Supplies	137,689.14
Professional Services	3,197,265.69
Other Charges	206,505.75
Capital Outlay	547,788.66
Interagency Transfers	1,801,827.70
Total Expenditures	\$30,951,671.88
<i>Transfer Out</i>	
General Fund	\$454,478,531.00
Reversion to General Fund	18,158,653.57
Municipal Police Retirement/Firefighters' Retirement/Sheriffs' Pension and Relief Fund	60,832,457.82
Municipal Fire and Police Civil Service	2,172,587.82
Insurance Fraud Assessment: Department of Public Safety Department of Justice	2,698,168.56 653,575.86
Mid-Year Deficit Reduction Plan: Insurance Fraud Assessment Administrative Fund (Health Insurance Portability and Accountability Act) Louisiana Automobile Theft and Insurance Fraud Prevention Authority	23,084.00 41,956.00 10,527.00
Total Transfer Out	\$539,069,541.63
<i>Funds Carried Forward Into Fiscal Year 2015-2016</i>	
Insurance Fraud Assessment	\$3.71
Health Insurance Portability and Accountability Act	70,069.48
Louisiana Automobile Theft and Insurance Fraud Prevention Authority	7,185.86
Total Funds Carried Forward	\$77,259.05

## **REVENUE SERVICES DIVISION**

The Revenue Services Division is responsible for the enforcement of all tax-related statutes of Title 22, the Louisiana Insurance Code, and receipting and imaging all revenues received by the LDI through fees, fines, premium taxes, penalties and assessments. A major function of this Division is the collection and classification of taxes and penalties from licensed insurance companies and surplus lines producers. In addition, this Division is responsible for the collection and classification of annual fees for admitted and approved unauthorized insurers.

For the calendar year ending December 31, 2014, this Division collected \$339,836,233 in taxes from licensed insurers and \$72,190,101 in taxes from surplus lines producers.

This Division is also responsible for compiling, sorting and distributing premium data to parishes and municipalities for tax reconciliation purposes.

The Revenue Services Division is responsible for the allocation of all revenue with the exception of producer licensing and for classifying all statutory deposits, receipts and fines; and invoices, collects and classifies the annual Louisiana Insurance Rating, Insurance Fraud and Health Insurance Portability and Accountability Act Assessments.

All revenue is received in accordance with state laws and regulations in conjunction with Department policies and procedures. It is the responsibility of this Division to process and collect all revenue timely, process any associated documentation, and audit all forms related to assessments for accuracy and invoice notification.

The Louisiana Legislature, insurance companies, brokers, producers, and the Office of Property and Casualty use the data collected and reports prepared by this Division. Data collected by the Revenue Services Division form the basis for assessments made by the Commissioner of Insurance.

Each year, this Division collects the Louisiana Insurance Rating and Insurance Fraud Assessments. The Louisiana Insurance Rating Assessment is based on the premium written by each admitted property and casualty company. Only premiums for rate regulated lines of business are included in this assessment. The Insurance Fraud Assessment is based on premium written by each admitted property and casualty company and 50 percent of premium written by each accident and health company to pay the cost of investigation, enforcement and prosecution of insurance fraud and anti-fraud education in this state.

The Louisiana Insurance Rating Assessment in 2014 was one percent of 2013 premiums. As such, the Louisiana Insurance Rating Assessment was \$86,583,788 based on \$8,658,378,878 of premiums, with no credits allowed to domestic or foreign insurers.

The Insurance Fraud Assessment in 2014 was 0.000375 of 2013 premiums. As such, the Insurance Fraud Assessment was \$4,566,857 based on \$9,117,160,454 of property and casualty premiums and \$6,122,248,550 of accident and health premiums.

## HISTORICAL DATA

Table 8 aggregates three years of historical data by category presented on a calendar year basis.

**SURPLUS LINES AND INSURANCE PREMIUM TAXES**      **TABLE 8**  
**THREE-YEAR HISTORY BY CATEGORY BY CALENDAR YEAR**

<i>Life, Accident and Health Companies (Including HDMI)</i>			
<i>Year</i>	<i>Gross Premiums</i>	<i>Gross Tax<sup>1</sup></i>	<i>Net Tax<sup>2</sup></i>
2014	\$6,384,980,693	\$143,748,805	\$91,368,877
2013	5,956,727,646	134,118,180	85,573,634
2012	5,701,178,024	128,368,380	81,625,371
<i>Fire and Casualty Companies</i>			
2014	10,029,851,516	299,658,400	212,727,760
2013	9,646,324,906	288,212,065	207,762,034
2012	9,162,443,260	273,830,205	202,247,775
<i>Health Maintenance Organizations</i>			
2014	2,565,466,610	57,724,445	32,687,537
2013	2,347,535,827	52,821,020	32,127,298
2012	1,760,678,808	39,616,895	19,446,333
<i>Title Companies</i>			
2014	141,796,254	4,257,215	3,052,059
2013	153,776,693	4,615,757	3,307,819
2012	133,672,192	4,012,090	2,822,609
<i>Surplus Lines Producers</i>			
2014	1,443,801,998	72,190,101	72,190,101
2013	1,374,450,950	68,840,907	68,840,907
2012	1,277,157,078	64,005,545	64,005,545
<i>TOTALS</i>			
<i>Year</i>	<i>Gross Premiums</i>	<i>Gross Tax<sup>1</sup></i>	<i>Net Tax<sup>2</sup></i>
2014	\$20,565,897,071	\$577,578,966	\$412,026,334
2013	\$19,478,816,022	\$548,607,747	\$397,611,693
2012	\$18,035,129,362	\$509,833,115	\$370,147,633

<sup>1</sup>Gross Tax is before statutorily authorized credits.

<sup>2</sup>Net Tax is after credits and represents actual collections.

## INFORMATION TECHNOLOGY DIVISION

The Information Technology Division provides mission critical and non-mission critical levels of support to all offices in the Department of Insurance. Mission critical support involves computer application system development, application system maintenance, network access and traffic addressing, network data storage, data transport between the internal network and the web server, web services maintenance and development, and coordination with the Department's Business Continuity Plan and Disaster Recovery of computer resources.

Other critical support involves computer resource allocation, resources deployment and maintenance, peripheral equipment deployment, remote services, operating system security updates, and software deployment and upgrades.

The Information Technology Division achieves effectiveness by matching its objectives with the overall goals and objectives of the Department. This Division continually works with senior management and users to accomplish these objectives, to upgrade electronic information processing within the LDI and to improve technology-based functions for consumers and industry.

The major project undertaking in Fiscal Year 2014-2015 was the complete re-write of the Department's Complaint, Rates, and Form Tracking system into the Department's Entity Management System and upgrading all the support tools and functionalities of both systems. The integrations of both systems after the re-write into the resulting Regulatory Management System will allow all Department's regulatory requirements to take place in one system instead of multiple systems. The system will encompass Producer Licensing, Company Licensing, Complaints, Rate, Policy Forms, Fraud, Enforcement, Financial Solvency, Market Conduct, and associated financial components into one application, where all these regulatory requirements will share the same interface and functionalities.

Other projects realized during the Fiscal Year were:

- » The complete redesign and deployment of the Department's website on a SiteFinity Content management platform. User testing was performed to develop a more user centric website that is mobile compliant to content, and applications are being tailored to fit into the mobile environment as deployed with the cooperation and support of Public Affairs. This project is a joint project of the Office of Public Affairs and the Information Technology Division to develop a website that is user and industry centric and more responsive to the growing mobile user environment.
- » A more staff centric workflow system has been developed and deployed that has allowed refunds to be submitted directly from the Regulatory Management System, which has streamlined the workflow required for the refund process with faster and more responsive notification to the staff on the next step in the workflow, and allows the submitter a graphical and informative narration of the step the workflow is currently at in the process. This new workflow has been developed with the input and oversight of the initiating divisions and Information Technology. Divisions that aided in this project were Fiscal, Purchasing, Producer Licensing and the Office of Financial Solvency.

**OFFICE OF MANAGEMENT AND FINANCE**  
**INFORMATION TECHNOLOGY DIVISION**

- » The Department has entered the era of Hyper-Convergence through the acquisition and use of Nutanix servers that allow more computer resources in a smaller, more efficient and faster environment than can be achieved through the use of the past three tiered environment. Hyper-Converged resources have reduced the required server space to approximately five inches in height as opposed to having a server rack that is six feet tall, and these appliances allow the Department to have more server density than has been possible in the past.

This Division serves other offices as a technical consultant for improving work efficiency and productivity through the allocation and use of computer resources and new technology. The primary activities on the operational level are the collection, storage, processing and distribution of data. This Division works toward the advancement of the planning, development and maintenance of applications and computer resources for other offices within the Department based on operational and functional needs.

The Information Technology Division completed 3,042 service requests from users during Fiscal Year 2014-2015. These service requests range from minor problems with personal computers to new required functionality for a department-developed application system.

## **BUDGET DIVISION**

The Budget Division is responsible for managing the Department's appropriation by compiling the necessary information for budget development, budget projections and monitoring budget changes through expenditures, revenue collections, legislation and mid-year budget adjustments.

## **HUMAN RESOURCES DIVISION**

The Human Resources Division is responsible for all personnel-related matters including:

- » Operations/Benefits
- » Staffing/Compensation
- » Employee Relations
- » Affirmative Action
- » Continuity of Operations

In addition, the Human Resources Division is responsible for ensuring compliance with Civil Service Rules and Regulations as well as related state and federal laws such as the Fair Labor Standards Act, Family Medical Leave Act and Americans with Disabilities Act.

As of June 30, 2015, the LDI had 244 total employees. Of this total, there were 208 classified and 25 unclassified employees and 11 students. In Fiscal Year 2014-2015, 339 personnel actions were processed to include new hires, separations, promotions, reallocations, etc.

## PURCHASING DIVISION

### SUPPLIES AND SERVICE PLANS

The Purchasing Division maintains office supply inventory and distributes supplies; procures stock and special supplies, equipment, furniture and printing services by using the Integrated Statewide Information System and/or obtaining bids according to state law and purchasing rules and regulations; maintains portable devices for Department personnel; and maintains photocopiers and fax machines.

### PROFESSIONAL SERVICES CONTRACTS

The Purchasing Division also reviews and verifies all professional and consulting services contracts to assure they are processed in accordance with agency policies and procedures and within the laws, rules and regulations of the State.

## HELPFUL LINKS

Requests for Proposals, [www.ldi.la.gov](http://www.ldi.la.gov). To access the LDI's current requests for proposals, see "What's New" at the bottom of the LDI home page.

Strategic Plan 2014-2019, <http://www.ldi.la.gov/consumers/resources-publications/reports-to-the-legislature>. The LDI updates its five-year strategic plan every three years.



# Office of Licensing and Compliance

# OFFICE OF LICENSING AND COMPLIANCE

The Office of Licensing and Compliance is made up of two divisions:

- » Licensing Division
  - » Producer Licensing
  - » Company Licensing
- » Life, Annuity and Long-Term Care Division

## LICENSING DIVISION

### PRODUCER LICENSING

The Producer Licensing Division licenses all insurance producers, managing general agents, surplus lines brokers, professional employer organizations, motor vehicle rental companies, claims adjusters and public adjusters as Title 22, the Louisiana Insurance Code, mandates. This Division issues initial and renewal licenses.

Activities of the Producer Licensing staff include:

- » Examining applications to determine that applicants meet all requirements for being trustworthy and competent to serve the public. Recommendations to disapprove applications are based on such factors as criminal history, lawsuits, bankruptcy and disciplinary actions in Louisiana or other states.
- » Distributing forms, giving instructions and providing guidance to applicants.
- » Overseeing the producer testing program.
- » Monitoring all producers who negotiate contracts of insurance to assure proper licensing and appointment by licensed insurers.
- » Recording regulatory actions against producers and adjusters whose licenses have been revoked, suspended, fined or subject to other administrative action. This ensures that additional licenses and appointments will not be issued until the licensee is eligible for reinstatement or renewal.
- » Reviewing examination questions, pre-licensing and continuing education provider applications and course content to assure that licensees are well prepared and knowledgeable in insurance.
- » Tracking continuing education credits earned by licensees.
- » Responding to inquiries from the public concerning the status of producers, managing general agents, surplus line brokers, professional employer organizations, motor vehicle rental companies, claims adjusters and public adjusters.
- » Maintaining producer databases for use by other state insurance departments, courts and law enforcement agencies. The databases are public record.

At the end of Fiscal Year 2014-2015, Louisiana licensed 119,515 producers and 56,515 adjusters.

**OFFICE OF LICENSING AND COMPLIANCE**  
**LICENSING DIVISION - PRODUCER LICENSING**

**ACTIVITIES OF PRODUCER LICENSING**      **TABLE 9**  
**THREE-YEAR HISTORY**

	<i>Fiscal Year 2014-2015</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>
Resident Life, Health and Accident Licenses Issued	3,011	3,697	2,566
Nonresident Life, Health and Accident Licenses Issued	11,974	11,641	9,057
Resident Property and Casualty Licenses Issued	1,423	1,777	1,238
Nonresident Property and Casualty Licenses Issued	10,502	7,309	6,423
Claims Adjuster Licenses Issued	13,024	9,205	10,915
Public Adjuster Licenses Issued	36	40	115
Company Appointments Processed	572,705	543,695	506,215
Producer License Renewals Processed	63,842	59,774	64,161
Number of Insurance Exams Monitored	10,058	8,095	7,328
Continuing Education Course Applications Approved	1,555	1,417	1,514

In 2003, Louisiana adopted the National Insurance Producer Registry online licensing process for nonresident producer applications. Since then, availability of electronic processing expanded to all resident and nonresident producer and adjuster applications and renewals. Increasing numbers of applicants and licensees are choosing the convenience of electronic processes for applications, renewals and payment of fees. Compared with Fiscal Year 2008-2009, more than twice as many new applicants for producer and adjuster licenses used the online application process.

# LOUISIANA 1401 LIFE INSURANCE EXAM RESULTS REPORT CALENDAR YEAR 2015

## LA. R.S. 22:1545(I) REPORT BY THE COMMISSIONER

*I. (1) The commissioner of insurance shall prepare, publicly announce, and publish a report that summarizes statistical information relating to life insurance producer examinations administered during the preceding calendar year. Each report shall include the following information for all examinees combined and separately by gender, race or ethnicity, race or ethnicity within gender, education level, and native language:*

*(a) The total number of examinees.*

*(b) The percentage and number of examinees who passed the examination.*

*(c) Standard deviation of scaled scores on the examination.*

*(2) The commissioner of insurance shall prepare and make available upon request a report of summary statistical information relating to each life insurance test form administered during the preceding calendar year. The report shall show, for each test form, for all examinees combined and separately for African-American examinees, American Indian examinees, Hispanic examinees, white examinees, and other examinees, the correct-answer rate and correlations.*

*(3) The reports referred to in Paragraphs (1) and (2) of this Subsection shall be published no later than May first of the current year.*

## PURPOSE

The purpose of this report is to provide statistics on test takers of the 1401 Louisiana Life Insurance Exam during the period of January 1, 2014, to December 31, 2014, to meet reporting requirements of the La. R.S. 22:1545.

## INFORMATION ABOUT THE DATA USED

Performance data from first-time test takers is generally more stable; therefore, data from repeat test takers is not included in this report. All demographics included in this report are as voluntarily self-reported by the test takers.

**OFFICE OF LICENSING AND COMPLIANCE**  
**LOUISIANA 1401 LIFE INSURANCE EXAM RESULTS REPORT**

**FIRST-TIME TEST TAKERS BY GENDER AND FAIL/PASS STATUS** TABLE 10  
**CALENDAR YEAR 2015**

<i>Gender</i>	<i>Fail</i>	<i>Pass</i>	<i>Total</i>	<i>Percent of Total</i>
Female	488	339	827	58.74%
Percent Female	59.01%	40.99%	100.00%	
Percent Fail or Pass	62.89%	53.64%		
Male	275	281	556	39.49%
Percent Male	49.46%	50.54%	100.00%	
Percent Fail or Pass	35.44%	44.46%		
Chose Not to Respond	12	12	24	1.70%
Percent Chose Not to Respond	50.00%	50.00%	100.00%	
Percent Fail or Pass	1.55%	1.90%		
Left Blank	1	0	1	0.07%
Percent Left Blank	100.00%	0.00%	100.00%	
Percent Fail or Pass	0.13%	0.00%		
Total	776	632	1,408	100.00%
Percent Fail or Pass	55.11%	44.89%	100.00%	
Percent of Total	100.00%	100.00%		

**FIRST-TIME TEST TAKERS BY ETHNICITY AND FAIL/PASS STATUS** TABLE 11  
**CALENDAR YEAR 2015**

<i>Ethnicity</i>	<i>Fail</i>	<i>Pass</i>	<i>Total</i>	<i>Percent of Total</i>
Asian American/Pacific Islander	37	16	25	3.8%
Percent Asian Americans/Pacific Islanders	69.8%	30.2%	100.0%	
Percent Fail or Pass	4.8%	2.5%		
Black/African-American	474	257	731	51.9%
Percent Blacks/African-Americans	64.8%	35.2%	100.0%	
Percent Fail or Pass	61.1%	40.7%		
Hispanic/Latin American	32	21	53	3.8%
Percent Hispanics/Latin Americans	60.4%	39.6%	100.0%	
Percent Fail or Pass	4.1%	3.3%		
Native American	2	5	7	0.5%
Percent Native Americans	28.6%	71.4%	100.0%	
Percent Fail or Pass	0.3%	0.8%		
Caucasian/White (non-Hispanic)	206	315	521	37.0%
Percent Caucasians/Whites (non-Hispanic)	39.5%	60.5%	100.0%	
Percent Fail or Pass	26.5%	49.8%		
Other	18	10	28	3.0%
Percent Other	64.3%	35.7%	100.0%	
Percent Fail or Pass	4.0%	2.1%		
Chose Not to Respond	24	18	42	3.0%
Percent Chose Not to Respond	57.1%	42.9%	100.0%	
Percent Fail or Pass	3.1%	2.8%		
Left Blank	1	0	1	0.1%
Percent Left Blank	100.0%	100.0%	100.0%	
Percent Fail or Pass	0.1%	0.0%		
Total	776	632	1,408	100.0%
Percent Fail or Pass	55.1%	44.9%	100.0%	
Percent of Total	100.0%	100.0%		

**OFFICE OF LICENSING AND COMPLIANCE**  
**LOUISIANA 1401 LIFE INSURANCE EXAM RESULTS REPORT**

**TABLE 12 FIRST-TIME TEST TAKERS BY ETHNICITY, GENDER AND FAIL/PASS STATUS  
 CALENDAR YEAR 2015**

<i>Fail</i>	<i>Gender</i>				
	<i>Ethnicity</i>	<i>Female</i>	<i>Male</i>	<i>Chose Not to Respond</i>	<i>Left Blank</i>
Asian American/Pacific Islander	21	16	0	0	37
Percent Asian Americans/Pacific Islanders Who Failed	56.8%	43.2%	0.0%	0.0%	100.0%
Percent Gender Group Who Failed	4.3%	5.8%	0.0%	0.0%	
Black/African-American	316	157	1	0	474
Percent Blacks/African-Americans Who Failed	66.7%	33.1%	0.2%	0.0%	100.0%
Percent Gender Group Who Failed	64.75%	57.1%	8.3%	0.0%	
Hispanic/Latin American	20	12	0	0	32
Percent Hispanics/Latin Americans Who Failed	62.5%	37.5%	0.0%	0.0%	100.0%
Percent Gender Group Who Failed	4.1%	4.4%	0.0%	0.0%	
Native American	2	0	0	0	2
Percent Native Americans Who Failed	100.0%	0.0%	0.0%	0.0%	100.0%
Percent Gender Group Who Failed	0.41%	0.0%	0.0%	0.0%	
Caucasian/White (non-Hispanic)	124	82	0	0	206
Percent Caucasians/Whites (non-Hispanic) Who Failed	60.2%	39.8%	0.0%	0.0%	100.0%
Percent Gender Group Who Failed	25.41%	29.8%	0.0%	0.0%	
Other	0	0	0	1	1
Percent Others Who Failed	0.0%	0.0%	0.0%	100.0%	100.0%
Percent Gender Group Who Failed	0.0%	0.0%	0.0%	100.0%	
Chose Not to Respond	5	8	11	0	24
Percent Chose Not to Respond Who Failed	20.8%	33.3%	45.8%	0.0%	100.0%
Percent Gender Group Who Failed	1.02%	2.9%	91.7%	0.0%	
Totals	488	275	12	1	776

<i>Pass</i>	<i>Gender</i>				
	<i>Ethnicity</i>	<i>Female</i>	<i>Male</i>	<i>Chose Not to Respond</i>	<i>Left Blank</i>
Asian American/Pacific Islander	7	9	0	0	16
Percent Asian Americans/Pacific Islanders Who Failed	43.8%	56.3%	0.0%	0.0%	100.0%
Percent Gender Group Who Failed	2.1%	3.2%	0.0%	0.0%	
Black/African-American	166	89	2	0	257
Percent Blacks/African-Americans Who Failed	64.6%	34.6%	0.8%	0.0%	100.0%
Percent Gender Group Who Failed	49.0%	31.7%	16.7%	0.0%	
Hispanic/Latin American	12	9	0	0	21
Percent Hispanics/Latin Americans Who Failed	57.1%	42.9%	0.0%	0.0%	100.0%
Percent Gender Group Who Failed	3.5%	3.2%	0.0%	0.0%	
Native American	2	3	0	0	5
Percent Native Americans Who Failed	40.0%	60.0%	0.0%	0.0%	100.0%
Percent Gender Group Who Failed	0.6%	1.1%	0.0%	0.0%	
Caucasian/White (non-Hispanic)	145	170	0	0	315
Percent Caucasians/Whites (non-Hispanic) Who Failed	46.0%	54.0%	0.0%	0.0%	100.0%
Percent Gender Group Who Failed	42.8%	60.5%	0.0%	0.0%	
Other	0	0	0	0	0
Percent Others Who Failed	0.0%	0.0%	0.0%	0.0%	0.0%
Percent Gender Group Who Failed	0.0%	0.0%	0.0%	0.0%	
Chose Not to Respond	7	1	10	0	18
Percent Chose Not to Respond Who Failed	38.9%	5.6%	55.6%	0.0%	100.0%
Percent Gender Group Who Failed	2.01%	0.4%	83.3%	0.0%	
Totals	339	281	12	0	632

**OFFICE OF LICENSING AND COMPLIANCE**  
**LOUISIANA 1401 LIFE INSURANCE EXAM RESULTS REPORT**

**FIRST-TIME TEST TAKERS BY HIGHEST LEVEL OF EDUCATION AND TABLE 13**  
**FAIL/PASS STATUS**  
**CALENDAR YEAR 2015**

<i>Highest Level of Education</i>	<i>Fail</i>	<i>Pass</i>	<i>Total</i>	<i>Percent of Total</i>
High School Diploma or Equivalent Percent of this Education Level Percent of Fail or Pass	206 66.2% 26.5%	105 33.8% 16.6%	311 100.0%	22.1%
Some College Percent of this Education Level Percent of Fail or Pass	336 60.8% 43.3%	217 39.2% 34.3%	553 100.0%	39.3%
Two-Year College Degree (Associate Degree) Percent of this Education Level Percent of Fail or Pass	54 46.6% 7.0%	62 53.4% 9.8%	116 100.0%	8.2%
Four-Year College Degree (Bachelor's Degree) Percent of this Education Level Percent of Fail or Pass	112 38.4% 14.4%	180 61.6% 28.5%	292 100.0%	20.7%
Advanced Degree (Master's Degree or Doctorate) Percent of this Education Level Percent of Fail or Pass	30 36.6% 1.4%	52 63.4% 8.2%	82 100.0%	5.8%
Chose Not to Respond Percent Chose Not to Respond Percent of Fail or Pass	21 65.5% 2.7%	11 34.4% 1.7%	32 100.0%	2.3%
Other Percent of Others Percent of Fail or Pass	17 77.3% 2.2%	5 22.7% 0.8%	22 100.0%	1.6%
Totals	776	632	1,408	100.0%

**FIRST-TIME TEST TAKERS BY PRIMARY LANGUAGE AND TABLE 14**  
**FAIL/PASS STATUS**  
**CALENDAR YEAR 2015**

<i>Primary Language</i>	<i>Fail</i>	<i>Pass</i>	<i>Total</i>	<i>Percent of Total</i>
English Percent of English Language Percent of Fail or Pass	694 53.9% 89.4%	594 46.1% 94.0%	1,288 100.0%	91.5%
Spanish Percent of Spanish Language Percent of Fail or Pass	16 59.3% 2.1%	11 40.7% 1.7%	27 100.0%	1.9%
Chinese Percent of Vietnamese Language Percent of Fail or Pass	14 82.4% 1.8%	3 17.6% 0.5%	17 100.0%	1.2%
Other Percent of Other Language Percent of Fail or Pass	34 69.4% 4.4%	15 30.6% 2.4%	49 100.0%	3.5%
Chose Not to Respond Percent of Chose Not to Respond Percent of Fail or Pass	18 66.7% 2.3%	9 33.3% 1.4%	27 100.0%	1.9%
Totals	776	632	1,408	100.0%

## **COMPANY LICENSING**

The Company Licensing Division licenses foreign and domestic insurance companies, third party administrators, captive insurers, dental referral plans, discount medical plans, health maintenance organizations, risk purchasing groups, risk retention groups, vehicle mechanical breakdown insurers, viatical settlement brokers, providers, and investment agents, and multiple welfare and medical necessity review organizations. This Division also processes applications for eligibility of surplus lines insurers, registrations of home service contract providers, independent review organizations, property residual value insurers, security registrations, certificates of compliance for insurers, letters of good standing, dissolution of domestic insurance companies, domestic and foreign acquisitions, redomestications, withdrawal of insurance companies, exemptions and multiple employment welfare arrangements, recordation of articles of incorporation, accredited reinsurers, foreign and domestic acquisitions, foreign and domestic mergers, and change of control. The Company Licensing Division issues initial licenses and renewal licenses, and reviews annual reports and annual renewals for accuracy and compliance in accordance with Louisiana state statutes.

Activities of the Company Licensing staff include:

- » Examining applications for completion and to determine that applicants meet all requirements as noted per applicable state statute.
- » Providing various applications forms and other documents to applicants and providing assistance with completion of documents.
- » Monitoring all licensed companies for compliance with state statutes.
- » Reviewing and recording regulatory actions against licensed insurers whose license or certificate of authority has been revoked, suspended, fined or subject to other administrative actions.
- » Responding to inquiries from the public regarding the status of pending applications or other type filings, state statutes and filing fees.
- » Maintaining databases for use by other state insurance departments such as Regulatory Information Retrieval System of the National Association of Insurance Commissioners.
- » Maintaining the Department database for changes in companies' addresses, phone numbers, officers, directors, agents for service of process and various company contacts.
- » Reviewing third party administrator, viatical investment agent or broker and providing annual reports and renewal reports for risk purchasing groups.
- » Distributing lawsuits to the proper agent for service of process.
- » Issuing fines to entities that are not in compliance with state statutes.
- » Reviewing and updating the Department database with regulatory actions.
- » Responding to questions from the public.

**OFFICE OF LICENSING AND COMPLIANCE**  
**LICENSING DIVISION - COMPANY LICENSING**

**ACTIVITIES OF COMPANY LICENSING TABLE 15**

	<i>Number Received</i>	<i>Number Approved</i>	<i>Number Disapproved</i>	<i>Number Withdrawn</i>	<i>Number Pending</i>
<b>Domestic</b>					
Captives	0	0	0	0	0
Certificates of Authority (Initial)	1	0	0	0	1
Dissolutions	2	2	0	0	0
Acquisitions	4	4	0	0	0
Mergers	1	0	0	0	1
Form A Exemption Requests	9	8	0	0	1
Regulation 66 Requests	200	149	2	7	42
Letters of No Objection to Expansion	5	4	0	0	1
Health Maintenance Organization Service Area Expansions	1	1	0	0	0
Mutual Holding Company Conversions	0	0	0	0	0
Article Amendments	10	9	0	1	0
Health Maintenance Organizations	1	0	0	1	0
<b>Foreign</b>					
Certificates of Authority (Initial)	23	19	0	0	4
Surplus Lines Approvals (Initial)	5	3	0	0	2
Accredited Reinsurers	2	2	0	0	0
Withdrawals	29	27	0	0	2
Acquisitions	38	33	1	2	2
Mergers	14	11	0	2	1
<b>Domestic, Foreign and Alien</b>					
Third Party Administrator Exceptions	0	0	0	0	0
Third Party Administrator Applications	36	17	1	7	11
Risk Purchasing Groups	24	15	1	1	7
Risk Retention Groups	5	4	0	0	1
Medical Discounts Plans	14	7	0	0	7
Dental Referral Plans	3	3	0	0	0
Viatical Settlement Brokers	0	0	0	0	0
Viatical Settlement Providers	0	0	0	0	0
Security Registrations	1	1	0	0	0
Medical Necessity Review Organizations	1	1	0	0	0
Utilization Review Organizations	37	19	0	0	18
Independent Review Organization Applications	14	10	0	3	1
Specialty Insurers - Vehicle Mechanical Breakdown Insurers	9	5	1	1	2
Amendments of Certificate of Authority	37	32	1	2	2
Article Amendments	61	53	1	3	4
Adding Lines to Certificate of Authority	33	24	0	2	7
Certificates of Compliance	79	78	0	0	1
Home Service Contract Providers	11	7	1	1	2
Viatical Investment Agents	1	0	0	1	0
Multiple Employer Welfare Arrangement	1	0	0	0	0
<b>TOTALS</b>	<b>712</b>	<b>548</b>	<b>9</b>	<b>34</b>	<b>120</b>

**OFFICE OF LICENSING AND COMPLIANCE**  
**LICENSING DIVISION - COMPANY LICENSING**

**TABLE 16 ENTITIES LICENSED OR REGISTERED AT FISCAL YEAR-END  
 THREE-YEAR HISTORY**

	<i>Fiscal Year 2014-2015</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>
<b>Risk Bearing</b>			
<b>Domestic</b>			
Domestic Insurers	91	93	95
Domestic Health Maintenance Organizations	13	14	14
Captives	2	2	2
<b>Total Domestics</b>	<b>106</b>	<b>109</b>	<b>111</b>
<b>Non-Domiciliary</b>			
Foreign/Alien Insurers Admitted	1,314	1,312	1,331
Surplus Lines (estimated)	184	180	178
<b>Total Non-Domiciliaries</b>	<b>1,498</b>	<b>1,492</b>	<b>1,509</b>
<b>Other</b>			
Risk Retention Groups	82	80	86
Vehicle Mechanical Breakdowns	50	45	43
Accredited Reinsurers	13	12	11
Property Residual Values	2	3	3
Multiple Employer Welfare Arrangements	1	1	1
<b>Total Other</b>	<b>148</b>	<b>141</b>	<b>144</b>
<b>TOTAL RISK BEARING</b>	<b>1,752</b>	<b>1,742</b>	<b>1,764</b>
<b>Non-Risk Bearing</b>			
Third Party Administrators	364	353	351
Risk Purchasing Groups	319	241	232
Utilization Review Organizations	19	87	83
Discount Medical Plans	24	28	20
Viatical Settlement Providers	12	14	15
Independent Review Organizations	11	14	14
Home Service Contract Providers	15	12	13
Viatical Settlement Brokers	7	6	7
Security Registrations	3	4	4
Dental Referral Plans	4	2	2
Viatical Investment Agents	0	0	1
<b>TOTAL NON-RISK BEARING</b>	<b>788</b>	<b>761</b>	<b>742</b>
<b>TOTALS</b>	<b>2,530</b>	<b>2,503</b>	<b>2,506</b>

## LIFE, ANNUITY AND LONG-TERM CARE DIVISION

The Life, Annuity and Long-Term Care Division reviews life, annuity and long-term care contract forms submitted by insurers for compliance with applicable statutes, rules and regulations. This Division also investigates consumer complaints involving underwriting, claims handling, policyholder services and marketing practices of life insurers and producers doing business in Louisiana. Additionally, this Division provides information and assistance to consumers and industry representatives by responding to inquiries, making public presentations and supplying informational pamphlets and brochures.

Duties of the Life, Annuity and Long-Term Care Division staff include:

- » Reviewing life insurance, annuity and long-term care contract form filings and approving or disapproving forms based on compliance or noncompliance with applicable statutes.
- » Enforcing industry compliance with consumer protection regulations.
- » Investigating complaints and other concerns in order to evaluate and properly respond to violations of the Insurance Code in order to obtain resolution of consumer disputes involving claims or refunds and disputes involving issuance or renewal of coverage, and to rule out illegal marketing practices.
- » Providing information to consumers on insurance matters in response to inquiries received by telephone, letter or in person.
- » Disseminating consumer brochures, pamphlets and complaint statistics, and providing experienced, knowledgeable speakers on insurance issues and products.
- » Facilitating consumers' requests for information on life insurance policies covering deceased members of their immediate families.

Pursuant to La. R.S. 22:861, the Life, Annuity and Long-Term Care Insurance Division reviews and approves or disapproves policy forms marketed and sold in Louisiana. The Division also responds to inquiries and resolves consumer complaints.

**OFFICE OF LICENSING AND COMPLIANCE**  
**LIFE, ANNUITY AND LONG-TERM CARE DIVISION**

**TABLE 17 ACTIVITIES OF THE LIFE, ANNUITY AND LONG-TERM CARE FORMS DIVISION  
 TWO-YEAR HISTORY**

	<i>Fiscal Year 2014-2015</i>	<i>Fiscal Year 2013-2014</i>
<b>Policy Forms, Annual Certifications, Advertisements and Rates Received</b>		
Forms Received	3,889	4,083
Advertisements Received	217	196
Rates Received	195	147
<b>TOTALS</b>	<b>4,301</b>	<b>4,426</b>
<b>Policy Forms, Advertisements, Annual Certifications and Rates Processed</b>		
Approved	3,717	3,953
Accepted/Filed	4	16
Acknowledged/Informational	401	652
Disapproved	166	206
Withdrawn by Company	128	85
Departmental Withdrawal of Approval	0	18
<b>TOTAL PROCESSED</b>	<b>4,416</b>	<b>4,930</b>

**TABLE 18 LIFE, ANNUITY AND LONG-TERM CARE FORMS RECEIVED BY COVERAGE TYPE  
 TWO-YEAR HISTORY**

	<i>Fiscal Year 2014-2015</i>	<i>Fiscal Year 2013-2014</i>
<b>Life Insurance Coverage Types</b>		
Adjustable Life	379	398
Credit Life	29	7
Endowment	12	12
Term Life	722	692
Variable Life	115	110
Whole Life	359	561
Life Other/Special	763	872
<b>Annuity Coverage Types</b>		
Annuities	1,055	1,114
Equity Indexed Annuities	255	154
<b>Long-Term Care / Viatical Settlement</b>		
Long-Term Care	586	471
Vitatical Settlement	26	35
<b>TOTALS</b>	<b>4,301</b>	<b>4,426</b>

**COMPLIANCE ACTIVITIES OF THE LIFE, ANNUITY AND LONG-TERM CARE DIVISION TABLE 19**  
**THREE-YEAR HISTORY**

	<i>Fiscal Year 2014-2015</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>
<b>Consumer Complaint Investigations</b>			
Opened	412	385	435
Closed	396	385	396
In Progress at End of Fiscal Year	52	35	74
Amount of Benefits and Funds Recovered	\$2,853,699	\$2,395,775	\$1,695,534
Amount of Fines Levied for Failure to Respond Timely to a Complaint	\$8,250	\$7,750	\$2,250
<b>Related Activities</b>			
Life Policy Search	351	429	302
Walk-Ins Assisted	38	63	39
Public Presentations	0	2	5

## HELPFUL LINKS

Document Search, <https://www.ldi.la.gov/onlineservices/documentsearch/>. Retrieval system for specific forms and documents relevant to regulated entities, including advisory letters, bulletins and directives.

Life Policy Search, <https://www.ldi.la.gov/onlineservices/LifeInsPolicySearch/>. Any member of the immediate family of a deceased person may file a request with the LDI to search for life insurance policies which were purchased in the state of Louisiana.

Product Filing Requirements, <http://ia.ldi.state.la.us/productmatrix/>. Includes a fee calculator, FAQs and additional help.

Insurance Producers Authorized to Sell Life Insurance, [www.ldi.la.gov/onlineservices/ProducerAdjusterSearch/](http://www.ldi.la.gov/onlineservices/ProducerAdjusterSearch/). Use the drop down menus; for "License Authority," choose "Individual Agent (Producer)"; for "Line of Authority," choose "Life."

## OFFICE OF LICENSING AND COMPLIANCE

### HELPFUL LINKS

Insurance Producers Authorized to Sell Annuities, [www.lidi.la.gov/onlineservices/ProducerAdjusterSearch/](http://www.lidi.la.gov/onlineservices/ProducerAdjusterSearch/). Use the drop down menus; for “License Authority,” choose “Individual Agent (Producer)”; for “Line of Authority,” choose “Variable Contracts.”

Insurance Producers Authorized to Sell Long-Term Care Insurance, [www.lidi.la.gov/onlineservices/ProducerAdjusterSearch/](http://www.lidi.la.gov/onlineservices/ProducerAdjusterSearch/). Use the drop down menus; for “License Authority,” choose “Individual Agent (Producer)”; for “Line of Authority,” choose “Accident and Health.”



# Office of Health Insurance

# OFFICE OF HEALTH INSURANCE

The Office of Health Insurance consolidates the regulation of state and federal requirements applicable to commercial and government-operated health benefit plans.

This Office provides protection to Louisiana consumers, regulates statutory and regulatory compliance of health benefit plans and recommends public policy changes to improve the competitive market and consumers' access to health insurance. This Office was reorganized in Fiscal Year 2014-2015. There are now four divisions in operation:

- » Premium Rate Review Division
- » Health Forms Division
- » Health Compliance Division
- » Louisiana Health Care Commission

All health product forms, including both major medical and supplemental, limited or excepted benefit products, are reviewed by personnel in the Health Forms Division.

Similarly, all complaints regarding health insurance products are handled by personnel in the Health Compliance Division without regard to whether the complaints are submitted for major medical products or supplemental, limited or excepted benefit products. The personnel in the Health Compliance Division also conduct reviews of organizations responsible for internal claims and appeals and external reviews.

## PREMIUM RATE REVIEW DIVISION

The Premium Rate Review Division began the review of certain health insurance rates in the small group and individual markets on January 1, 2014. This Division performs a detailed analysis and review of these rate filings. While the LDI does not have approval authority over health insurance rates, the Department does have statutory authority to:

- » Review rates for compliance with both federal and state law; disapprove rate filings that are not in compliance with state or federal law.
- » Review proposed rate increases which are ten percent or more to determine whether the increase is reasonable and actuarially justified.
- » Post on the Department website any proposed rate increase which meets or exceeds the ten percent federal threshold and allow the public to submit comments.
- » Post on the Department website the final determination for the rate increases which meet or exceed the ten percent federal threshold and undertake any other actions necessary pursuant to Section 2794 of the Public Health Service Act.

**OFFICE OF HEALTH INSURANCE**  
**PREMIUM RATE REVIEW DIVISION**

Table 20 includes rates that are not subject to review, rates found reasonable or unreasonable, as well as rate filings that were disapproved or withdrawn.

**ACTIVITIES OF THE PREMIUM RATE REVIEW DIVISION**    **TABLE 20**

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Rates Received	132
Rates Not Subject to Review	8
Reasonable Findings	99
Unreasonable Findings	0
Rates Disapproved	5
Filings Withdrawn	40

Three rate filings that included forms were disapproved pursuant to LDI Bulletin 2014-05 and Centers for Medicare and Medicaid Services Frequently Asked Question number 2142. With the operation of the single risk pool, index rate and premium rating rules in the non-grandfathered individual and small group market, health insurance issuers may not offer optional benefits or variable plan premiums. All Affordable Care Act-compliant plans must contain a static set of benefits with a specific cost-sharing structure. In lieu of optional riders, an issuer may craft products with coverage variations embedded within a product and offered as an option through plan variations of the product.

Two rate filings were disapproved pursuant to La. R.S. 22: 1092 (C). The statute provides that the Department may require the health insurance issuer to refile the rate filing if there is not sufficient information to support the rate.

## HEALTH FORMS DIVISION

The Forms Division regulates Health Insurance Portability and Accountability Act forms and market compliance issues for major medical and health maintenance organization health plans, and Medicare supplement and limited benefit products.

The Forms Division performs detailed analyses and review of the policy forms and advertising of regulated entities. The forms and advertising review process emphasizes:

- » Compliance with all applicable state and federal laws, rules and regulations.
- » Avoidance of any inconsistent, ambiguous or misleading language, text or format.
- » Assurance that exceptions and conditions affecting the risks are clearly stated and reasonable.
- » Assurance of consumer protection to the extent authorized by law.

Additionally, the Forms Division examines health insurance issuer plans for replacing a particular health insurance product or discontinuing business altogether in the individual, small or large employer group markets, and reviews Medicare supplement health insurance issuers' advertising, rates and marketing plans.

This Division implements its statutory authority by:

- » Approving, disapproving and/or withdrawing prior approval of health benefit plan filings.
- » Negotiating corrective action to assure that consumers negatively affected by outdated and improper policy forms are made whole.
- » Pursuing administrative sanctions where necessary to protect the public.
- » Providing information and technical assistance to health insurance issuers, health maintenance organizations and plan administrators, and improving procedures and requirements in order to expedite the filing, review and approval processes.

The forms approval process is aided by the Product Filing Matrix which houses over 300 specifically defined health insurance product codes linked to hundreds of legal requirements for policy form, rate, advertising content, marketing and administration. This matrix is available to all health insurance issuers in a manner that filters the legal requirements applicable to each product filing. Based on the requirements of the Affordable Care Act, new product codes have been added to the Product Filing Matrix for non-grandfathered products. Thus, there are separate product codes for grandfathered product filings and non-grandfathered product filings to distinguish the differing rules and regulations applicable to both.

The counts reported in Table 21 represent the number of forms included in health insurance filings that are received and processed. Each regulated entity's forms are counted separately. After the LDI receives health insurance filings, forms may be reclassified, such that multiple forms initially counted separately are combined into a single form. The most common reasons for reclassification are the erroneous classification of multiple parts of a single form as separate forms and the filing of supporting documents as forms. As an example, an initial filing of five forms at the time of receipt may be reclassified as, and processed as, two forms. Consequently, the numbers reported for forms received and forms processed in Table 21 may not reconcile. Moreover, the same circumstances may also impact forms that are reported as pending.

**ACTIVITIES OF THE HEALTH FORMS DIVISION TABLE 21**  
**THREE-YEAR HISTORY**

	<i>Fiscal Year</i> <b>2014-2015</b>	<i>Fiscal Year</i> <b>2013-2014</b>	<i>Fiscal Year</i> <b>2012-2013</b>
<b>Policy Forms, Advertisements and Rates Received</b>			
Forms Received	5,118	6,142	4,348
Advertisements Received	649	901	481
Rate Forms Received	1,464	1,386	1,193
<b>TOTALS</b>	<b>7,231</b>	<b>8,429</b>	<b>6,022</b>
<b>Policy Forms, Advertisements and Rates Processed</b>			
Approved	5,775	5,653	4,277
Accepted/Filed	331	201	399
Acknowledged/Informational	145	79	58
Disapproved	882	725	665
Withdrawn by Company	583	431	266
<b>TOTAL PROCESSED</b>	<b>7,716</b>	<b>7,089</b>	<b>5,665</b>
<b>Policy Forms, Advertisements and Rates Pending</b>			
All Health Policy Forms, Advertisements and Rate Filings Pending at End of Fiscal Year	910	700	381

**TABLE 22 HEALTH FORM FILINGS RECEIVED BY COVERAGE TYPE**  
**THREE-YEAR HISTORY**

*Total Number of Forms, Medicare Supplement Insurance Advertisements and/or Rates*

	<i>Fiscal Year 2014-2015</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>
<b>Comprehensive Coverage Types</b>			
Major Medical	1,378	1,604	979
Health Maintenance Organization	918	1,066	693
Short-Term Major Medical	60	33	4
<b>Limited Benefit Coverage Types</b>			
Medicare Supplement/Select	1,252	1,298	1,002
Disability	518	205	536
Dental	771	1,004	437
Hospital Indemnity	412	780	383
Accident Only	446	600	456
Cancer/Dread Disease	350	545	289
Miscellaneous	599	442	601
Accidental Death/Dismemberment	175	237	114
Critical Illness	231	402	267
Vision	121	102	128
<b>TOTALS</b>	<b>7,231</b>	<b>8,318</b>	<b>5,889</b>

This Division implements its statutory authority over form discontinuations or any discontinuation of coverage by:

- » Reviewing proposed notices of nonrenewal/discontinuation and the products to be nonrenewed/discontinued to assure that proper notice is provided to the appropriate parties in accordance with the requirements of law, or the terms and provisions of existing contracts, whichever is more favorable to the policyholders.
- » Monitoring all health insurance issuers (except short-term major medical and supplemental/limited benefit plan carriers) exiting a market or markets in order to prohibit re-entry for a period of five years from the date the last coverage is nonrenewed.

The Office of Health Insurance also has the authority to conduct retrospective reviews of previously approved filings to determine compliance with applicable law and takes regulatory action where indicated.

The Forms Division’s functions related to determining compliance of major medical and health maintenance organization coverage with federal and state health laws and reforms are funded by an assessment on health insurance premiums, pursuant to La. R.S. 22:1071(D)(2)(b). Only the portion of health insurance business subject to Health Insurance Portability and Accountability Act regulation is assessable.

Health insurance premiums paid during the 2014 Calendar Year which were subject to assessment totaled \$3,565,517,394. These premiums were assessed at 0.0022 percent. A total of \$784,992 was collected from 48 health insurance issuers.

## HEALTH COMPLIANCE DIVISION

This Division provides direct assistance to consumers and health care providers who contact the LDI regarding benefits covered, timely payment of claims and refunds, and assistance with the terms and provisions of their coverage contracts.

Additionally, this Division oversees compliance with all applicable state and federal laws, rules and regulations; monitors health insurance issuers for unfair trade or unfair claims settlement practices; and educates the public and health insurance industry regarding rights, obligations and requirements. The staff fulfills this statutory mission by:

- » Investigating formal complaints involving health insurance underwriting, premium and rating, cancellation/non-renewal, discrimination, marketing practices, claims handling and policyholder services.
- » Evaluating detailed findings of complaint investigations, recommending corrective actions and overseeing performance of these actions.
- » Determining violations of law and initiating disciplinary actions including suspension or revocation of authority or licenses, monetary fines, cease and desist orders, consent judgments, directives and withdrawal or denial of contract form approval.
- » Providing clarification, direction, information and assistance to inquiries and concerns expressed by the public and industry.

**ACTIVITIES OF THE HEALTH COMPLIANCE DIVISION    TABLE 23**  
**THREE-YEAR HISTORY**

	<i>Fiscal Year 2014-2015</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>
<b>Complaint Investigations</b>			
Opened	1,154	918	695
Closed	1,151	863	700
In Progress at End of Fiscal Year	111	107	54
Amount of Benefits and Refunds Recovered	\$517,056	\$691,785	\$522,443
Amount of Fines Levied for Failure to Respond Timely to a Complaint	\$3,500	\$0	\$0
<b>Related Activities</b>			
Walk-Ins Assisted	17	13	11
Publications Distributed	364	311	505
Public Presentations	1	4	2

**OFFICE OF HEALTH INSURANCE**  
**HEALTH COMPLIANCE DIVISION**

In addition to its contact with consumers, health care providers and health insurance issuers through the complaint investigation process, the Compliance Division oversees the review and approval process for the licensure of medical necessity review organizations. While the Licensing Division issues medical necessity review organization licenses, the Office of Health Insurance plays a pivotal role in the review of applications by examining the affairs of the medical necessity review organization. In 2003, a regular triennial examination schedule was established. In Fiscal Year 2014-2015, 16 medical necessity review organizations were examined in accordance with La. R.S. 22:1142(A).

**TABLE 24 APPLICATION ACTIVITIES FOR MEDICAL NECESSITY REVIEW ORGANIZATIONS**

Applications Pending from Prior Fiscal Year	0
Applications Received	47
Applications Approved	42
Applications Disapproved/Withdrawn	1
Applications Pending Final Action	4

**TABLE 25 EXAMINATIONS OF MEDICAL NECESSITY REVIEW ORGANIZATIONS  
 THREE-YEAR HISTORY**

	<i>Fiscal Year 2014-2015</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>
Conducted	17	28	27
Approved	17	28	27

# PATIENT'S BILL OF RIGHTS

LA. R.S. 22:971 REPORT BY THE COMMISSIONER

*It is hereby declared by the Legislature of Louisiana that access to health care for the citizens of this state is a priority to promote well-being and strong state protections. The state has an obligation to ensure that every person enrolled in a health plan enjoys basic rights as a patient. Comprehensive care should guarantee patients greater access to information and care including access to needed specialists and emergency rooms, guarantee a fair appeals process when health plans deny care, expand choice, protect the doctor-patient relationship, and hold managed care organizations accountable for decisions that harm patients. Because many states have passed patient protection laws that are appropriate to their states, the Department of Insurance shall establish and maintain an information collection program to track and evaluate state and federal legislation to provide for a uniform patient bill of rights. The department shall compile the data on an annual basis and submit a written report to the Senate Committee on Insurance and the House Committee on Insurance of ongoing efforts to adopt or enact a uniform patient's bill of rights.*

## PURPOSE

The purpose of this report is for the LDI to provide an assessment of federal and state laws relative to a patient's bill of rights, pursuant to La. R.S. 22:971, which became law in 2003.

## FEDERAL ACTION

While federal action on the issue of a Patient Bill of Rights began formally in 2001, it accelerated in 2010 when the President signed the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act, collectively referred to as the Affordable Care Act, into law. Over the past years, patient rights, some of which already existed in Louisiana law or the laws of other states, were implemented by federal law and through regulations promulgated by federal agencies including the U.S. Departments of Health and Human Services, Treasury and Labor.

Among other benefits, federal law helps patients with pre-existing conditions gain coverage and keep it, protects Americans' choice of doctors and ends lifetime limits on essential health benefits. Additional rights available to all citizens under the federal law are included on the following page.

## **OFFICE OF HEALTH INSURANCE**

### **PATIENT'S BILL OF RIGHTS REPORT**

- » An internal and external appeals process.
- » Guaranteed renewability of coverage.
- » Guaranteed availability of coverage.
- » Medical underwriting limited to age, tobacco use, geographic area and family size.
- » Comprehensive health insurance (essential health benefits) such as ambulatory patient services, emergency services, hospitalization, maternity and newborn care, mental health and substance abuse disorder services, including behavioral health treatment, prescription drugs, rehabilitative and habilitative services and devices, laboratory services, preventive and wellness services, chronic disease management and pediatric services, including oral and vision care.
- » Coverage for an individual participating in approved clinical trials.
- » Except for fraud or misrepresentation of material facts, health insurance issuers cannot rescind coverage.
- » Elimination of annual limits on coverage.
- » Direct access to obstetrics and gynecology, without referral from another primary care doctor.
- » Preventive services and immunizations recommended by the U.S. Preventive Services Task Force and the Centers for Disease Control, certain childhood preventive services and women's preventive care and screening recommended by Health Resources and Services Administration.

## **LOUISIANA**

During the 2015 Regular Legislative Session, the legislature passed Act 274 which combines the Office of Health Insurance with the Life, Annuity and Long-Term Care Division, effective July 1, 2015. The Office of Health, Life and Annuity Insurance reviews all health, life and annuity product forms.

Additionally, the Act establishes the Office of Consumer Services under which the Health Compliance Division is housed, beginning July 1, 2015.

## **OTHER STATES**

Complete implementation of the Affordable Care Act is a key activity for many states. Most reforms required by the Affordable Care Act were implemented and required of health policies offered on or after January 1, 2014.

Many states established rate review programs for oversight of health insurance premium rates. Many states also implemented appeal processes for reviews of decisions related to contested coverage and claims that meet or exceed the requirements of the federal requirements. The majority of states have selected to have a Federally Facilitated Marketplace while others have chosen to develop and operate State Based Marketplaces or State Partnership Marketplaces.

## OFFICE OF HEALTH INSURANCE

### PATIENT'S BILL OF RIGHTS REPORT

Rate review programs administered by state departments of insurance were ranked by the National Conference of State Legislatures in May 2013 as effective, partially effective or no rate review program. Initially, Louisiana was one of the states without an effective rate review program. However, as of January 1, 2014, Louisiana began collecting, reviewing and making determinations of reasonableness for rates and is deemed to have an effective rate review program. As of September 22, 2014, five states have been identified by the Centers for Medicare and Medicaid Services as not having an effective rate review program: Alabama, Missouri, Oklahoma, Texas and Wyoming, meaning that the federal government is reviewing the rates in those states.

External appeals review processes were evaluated by the U.S. Department of Health and Human Services prior to the 2013 Regular Legislative Session. At that time, Louisiana was among ten states not meeting the U.S. Department of Health and Human Services standards for external appeals. During the 2013 Regular Legislative Session, the Legislature enacted La. R.S. 22:2391, et seq., which is termed the "Internal Claims and Appeals Process and External Review Act" that requires external reviews to be completed by Independent Review Organizations. The external review process required by the Internal Claims and Appeals Process and External Review Act became effective January 1, 2015. Therefore, as of January 1, 2015, external appeals of adverse determinations for Louisiana policyholders or enrollees were conducted as directed under the Act. The LDI is responsible for the random assignment of Independent Review Organizations to those issuers subject to the Act. According to the Centers for Medicare and Medicaid Services, as of August 21, 2015, six states remain below the U.S. Department of Health and Human Services standards, making them subject to the federal external review process established by the U.S. Department of Health and Human Services: Alabama, Alaska, Florida, Georgia, Pennsylvania, and Wisconsin.

Marketplaces have been developed in all states to provide access to health insurance and subsidies. As of June 15, 2015, nineteen states and the District of Columbia now fully operate their own state-run marketplaces, termed State Based Marketplaces. There are five State Partnership Marketplaces. Thirty-four states, including Louisiana, operate under a Federally Facilitated Marketplace which uses the federal [www.healthcare.gov](http://www.healthcare.gov) website for enrollment and other administrative actions. Included in the thirty-four states that use a Federally Facilitated Marketplace are two states (Utah and Mississippi) that operate the small group marketplace (Small Business Health Options Program Marketplace), but rely on the Federally Facilitated Marketplace for their individual markets.

Table 26 provides a comparison among southern states for these three reforms. For a complete listing of all states, visit the websites of the sources footnoted.

**OFFICE OF HEALTH INSURANCE**  
**PATIENT'S BILL OF RIGHTS REPORT**

**TABLE 26 SELECTED AFFORDABLE CARE ACT REFORMS IN SOUTHERN STATES**

<i>State</i>	<i>Rate Review<sup>1</sup></i>	<i>External Appeals<sup>2</sup></i>	<i>Marketplaces<sup>3</sup></i>
Alabama	No Effective Program	U.S. Department of Health and Human Services Administered	Federal
Arkansas	Effective	National Association of Insurance Commissioners - Parallel	State Based
Florida	Effective	U.S. Department of Health and Human Services Administered	Federal
Georgia	Effective	U.S. Department of Health and Human Services Administered	Federal
Kentucky	Effective	National Association of Insurance Commissioners - Parallel	State Based
Louisiana	Effective	National Association of Insurance Commissioners - Parallel	Federal
Maryland	Effective	National Association of Insurance Commissioners - Parallel	State Based
Mississippi	Effective	National Association of Insurance Commissioners - Parallel	Federal <sup>4</sup>
North Carolina	Effective	National Association of Insurance Commissioners - Parallel, Beginning January 1, 2016	Federal
Oklahoma	No Effective Program	National Association of Insurance Commissioners - Parallel	Federal
South Carolina	Effective	National Association of Insurance Commissioners - Parallel	Federal
Tennessee	Effective	National Association of Insurance Commissioners - Parallel	Federal
Texas	No Effective Program	National Association of Insurance Commissioners - Similar	Federal
Virginia	Effective	National Association of Insurance Commissioners - Parallel	Federal
West Virginia	Effective	National Association of Insurance Commissioners - Parallel	Partnership

<sup>1</sup>Centers for Medicare and Medicaid Services, data as of June 15, 2015, [www.cms.gov/ccio/resources/fact-sheets-and-faqs/state-marketplaces.html](http://www.cms.gov/ccio/resources/fact-sheets-and-faqs/state-marketplaces.html)

<sup>2</sup>Centers for Medicare and Medicaid Services, data as of August 15, 2015, [www.cms.gov/ccio/resources/files/external\\_appeals.html](http://www.cms.gov/ccio/resources/files/external_appeals.html).

<sup>3</sup>Centers for Medicare and Medicaid Services, data as of September 22, 2014, [www.cms.gov/ccio/resources/fact-sheets-and-faqs/rate\\_review\\_fact\\_sheet.html](http://www.cms.gov/ccio/resources/fact-sheets-and-faqs/rate_review_fact_sheet.html).

<sup>4</sup>Mississippi operates their Small Business Health Options Program as a state based marketplace, but the individual market is a federally-facilitated marketplace.

# HEALTH MAINTENANCE ORGANIZATION REPORT

LA. R.S. 22:268 REPORT BY THE COMMISSIONER

*The secretary and the commissioner each shall report annually to the governor on the activities of his office with respect to health maintenance organizations and shall make such suggestions for change or improvement as may be in the best interest of the state and the industry.*

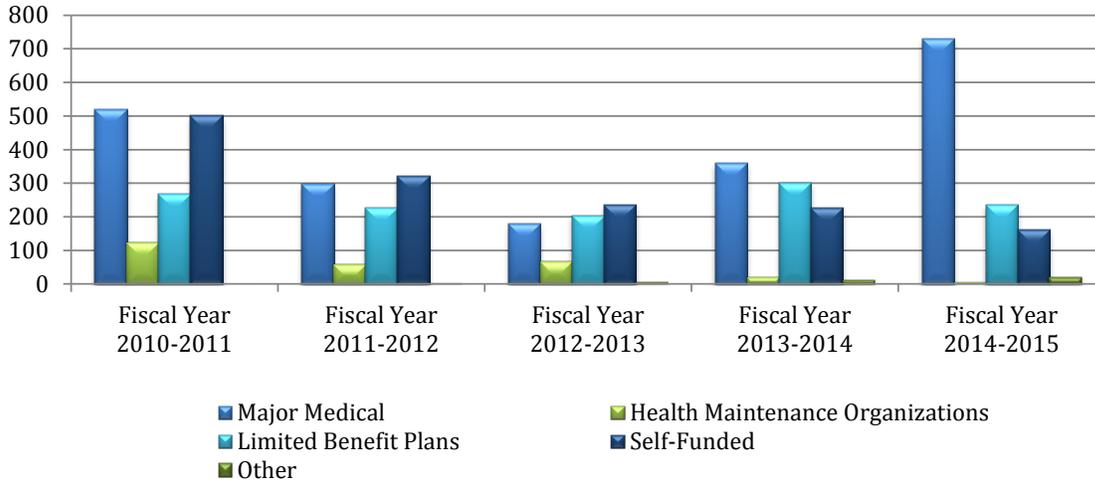
The policy forms of all major medical insurance issuers, including those of health maintenance organizations, are subject to the forms approval process of the LDI. Health maintenance organizations make up about 23.0 percent of the major medical insurance market in Louisiana. Health maintenance organization filings represented about 39.4 percent of all comprehensive coverage forms and about 12.6 percent of all filings reviewed by the Office of Health Insurance (see Table 22 on page 46). Complaints against health maintenance organizations made up only 0.35 percent of all health complaints received during the year, compared to 8.83 percent of health complaints received five years earlier (see Chart 3 on the following page).

All health insurance issuers, including health maintenance organizations, are subject to the provisions of the federal Affordable Care Act of 2010.

For additional information on premiums and losses for health maintenance organizations in Louisiana, see Appendix E.

**OFFICE OF HEALTH INSURANCE**  
**HEALTH MAINTENANCE ORGANIZATION REPORT**

**CHART 3 HEALTH INSURANCE COMPLAINTS RECEIVED BY COVERAGE TYPE  
 FIVE-YEAR HISTORY**



	<i>Fiscal Year 2010-2011</i>	<i>Fiscal Year 2011-2012</i>	<i>Fiscal Year 2012-2013</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2014-2015</i>
Major Medical <sup>1</sup>	521	297	180	360	730
Health Maintenance Organizations <sup>2</sup>	125	60	67	20	4
Limited Benefit Plans <sup>3</sup>	269	228	205	300	237
Self-Funded <sup>4</sup>	501	323	237	226	163
Other <sup>5</sup>	0	2	6	12	20

<sup>1</sup>Major Medical includes group, individual and COBRA policies.

<sup>2</sup>Health Maintenance Organizations include group, individual and Medicare + Choice coverages.

<sup>3</sup>Limited Benefit Plans include limited coverage types, such as Medicare Supplement/Select, disability, credit accident and health, cancer or dread disease, dental, hospital indemnity and accident only.

<sup>4</sup>Self-Funded includes single employer-sponsored Employee Welfare Benefit Plans, Office of Group Benefits and other government plans, such as Tricare or Champus.

<sup>5</sup>Other includes medical discount plans and church plans. These plans are not insurance, but the companies must register with the LDI.

# LOUISIANA HEALTH CARE COMMISSION

## LEGISLATIVE BACKGROUND

The Louisiana Health Care Commission was created by law in 1992; it is a 47-member advisory board that undertakes comprehensive review of complex health care issues facing Louisiana. In 1999, the Commission was transferred to the Department of Insurance. Statutory authority and membership of the Commission are contained in La. R.S. 22:2161. Since its inception, the Commission's membership has changed from its original makeup through Acts of the Legislature in 1995, 1997, 1999, 2004, 2012 and 2014; the most recent changes went into effect August 1, 2014.

## PURPOSE

Through a broad perspective, the Commission studies the issues affecting the availability, affordability and delivery of quality health care in Louisiana. The Commission is also tasked with examining national health care reform initiatives.

The Commission conducted public meetings to receive information and testimony from regional and national experts on health care access issues. The Commissioner of Insurance submitted an annual report to the Legislature on the studies, actions and recommendations of the Commission.

## MEMBERSHIP

The Louisiana Health Care Commission is composed of health care experts and other interested parties, including health care insurers and providers, community leaders and representatives of various consumer interests. Membership also includes representatives from the governing boards of Louisiana's colleges and universities, the House and Senate Committees on Insurance and at-large appointments designated by the Commissioner of Insurance.

## MEETINGS

### August 22, 2014

The Louisiana Health Care Commission held its first meeting of the fiscal year on August 22, 2014. The Executive Director of the LSU Division of Economic Development discussed the 2013 Louisiana Health Insurance Survey. He stated that the survey provides detailed information on Louisiana's uninsured population and assists in planning programs. He also stated that it estimates the Medicaid eligible population for the state budget and helps in federal reporting on Louisiana's Children's Health Insurance Program.

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The Medicaid Director for the Department of Health and Hospitals discussed the Medicaid Bayou Health program. She stated that the second phase of Bayou Health will continue the commitments of the past which include current provider rate floors, 85 percent Medical Loss Ratio requirements and timely payment requirements. She stated that a new requirement for the health plans is that the company must hire one full-time investigator per 100,000 enrollees.

The Deputy Commissioner for the Office of Health Insurance at the LDI, discussed Act 718 of the 2014 Regular Legislative Session which authorizes the LDI to review health insurance rates submitted by health insurance companies. He stated that it is a requirement of the Affordable Care Act that any rate increase of ten percent or more be reviewed to determine if the rate increase is reasonable or unreasonable. He stated that the LDI website contains information on health insurance companies seeking a rate increase of ten percent or more, in addition to the reason the increase is being requested and the determination of the LDI.

Brief updates were given on the work of the ACA Working Group and the Access to Care Brochures Subcommittee. The Chair of the ACA Working Group stated that the group is continuing to identify information that relates to the issues of Affordable Care Act implementation and identify ideas for the Louisiana Health Care Commission agenda meeting items. The Assistant Director of the Louisiana Health Care Commission briefly discussed the latest "Health Care Resources for the Uninsured" brochures for the Southwest and Acadiana regions. She stated that since the formation of the Subcommittee on July 1, 2012, approximately 100,000 brochures for various regions have been printed and over 61,000 brochures have been distributed. She stated that the Greater Baton Rouge brochure will be updated and re-printed and work will begin on a brochure for the New Orleans region. Electronic versions of all completed regional brochures are available on the LDI website.

**November 7, 2014**

The next meeting of the Louisiana Health Care Commission was held on November 7, 2014. The Commission received presentations on the Ebola Virus Disease and the upcoming open enrollment period for health insurance, including information provided by the state's navigators.

Given the prevalence of the Ebola Virus Disease outbreaks across the globe, the Regional Administrator and Medical Director for the Department of Health and Hospitals joined the Commission to present information regarding the Disease. She stated that Ebola is spread by direct contact with a symptomatic person through body fluids including blood, sweat, saliva and objects contaminated with the virus during care and that people with Ebola become more contagious as they get sicker. She discussed the early symptoms of Ebola, which are flu-like, and the stages of contagiousness as the disease progresses. There are no approved vaccines or medications available and experimental vaccines and treatments for Ebola are under development, but have not yet been fully tested for safety or effectiveness.

The Executive Director for the Southwest Louisiana Area Health Education Center discussed the navigators for the new enrollment period beginning November 15, 2014.

- » Southwest Louisiana Area Health Education Center
- » Capital Area Agency on Aging
- » Martin Luther King Health Center (grantee funded until the end of open enrollment)
- » National Healthy Start Association

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He advised that two sets of money came from the federal government to provide enrollment assistance to consumers in Louisiana. He stated that money from the Centers for Medicare and Medicaid Services was allocated to fund navigator entities and money from the Health Resources and Services Administration was used to hire certified application counselors.

The Deputy Commissioner for the Office of Health Insurance at the LDI gave an update on the Affordable Care Act marketplace health plans. He stated that the health insurance plans and rates on the exchange will remain confidential until November 15.

The Commissioner of Insurance gave closing remarks and thanked all of the Louisiana Health Care Commission members for their contribution and service.

**January 30, 2015**

The Commission held a third meeting during Fiscal Year 2014-2015 on January 30, 2015. Representatives from the Centers for Medicare and Medicaid Services and the Smoking Cessation Trust Fund gave presentations to the members of the Commission.

The Centers for Medicare and Medicaid Services – Dallas Regional Office representatives gave an update on the marketplace and data on enrollment numbers and outreach efforts. They discussed enrollment numbers released in early January 2015; 9.5 million consumers enrolled nationwide; 132,000 in the state of Louisiana; and advised that nine out of ten individuals in Louisiana received assistance from the federal government to pay for insurance premiums. This is higher than the national average of eight out of ten individuals receiving federal assistance.

The Dallas Regional Office provides assistance to consumers by caseworkers, through a call center, in premium payment and cost sharing; enrollment and re-enrollment in health insurance plans; and cancellation or termination of plans. Outreach and education efforts by the Office include partnerships with the Southwest Louisiana Area Health Education Center, 504 HealthNet, the City of New Orleans Health Department, Louisiana Primary Care Association and League of Women Voters, among others. The representatives also discussed Coverage to Care, an effort to help educate consumers about their new coverage and to connect them with primary care and preventive services which are right for them. Coverage to Care resources are available online at [www.marketplace.cms.gov/technical-assistance-resources/c2c.html](http://www.marketplace.cms.gov/technical-assistance-resources/c2c.html).

A representative with the Smoking Cessation Trust Fund discussed the Trust and its creation. In 2010, a Court of Appeal affirmed the \$180 million settlement decision in the Scott v. American Tobacco Co., et al class action lawsuit. The settlement funds the Smoking Cessation Trust, which was started in 2011 and provides smoking cessation programs for Louisiana residents who began smoking cigarettes prior to September 1, 1988.

He discussed the components of the Program as defined by the Court:

- » Telephone quit-lines
- » Health system interventions
- » Intensive cessation programs
- » Reimbursement for smoking cessation nicotine replacement therapy and related medications, including prescriptions

More information on the Trust can be found at [www.smokingcessationtrust.org](http://www.smokingcessationtrust.org).

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The Chair of the ACA Working Group briefly discussed the Group's new partnership with the Louisiana Public Health Institute. The Baptist Community Ministries contracted with the Louisiana Public Health Institute to conduct analysis of primary and secondary data on the population health, economic and other implications of the Affordable Care Act in the state of Louisiana. The Louisiana Public Health Institute will take over the work of the ACA Working Group to continue to identify local data sources, share and discuss findings and make accessible the information gathered.

**May 1, 2015**

The final meeting of the Louisiana Health Care Commission for Fiscal Year 2014-2015 was May 1, 2015. The meeting consisted of presentations and open discussion of the state budget and how it will affect the state's health care market.

The Commissioner of Insurance began the meeting by thanking the membership of the Commission for their service, as well as the panelists for their attendance at the meeting. The panelists were the Executive Director of the Louisiana Primary Care Association; the Secretary of the Department of Health and Hospitals; the Executive Vice President and Chief Operating Officer of the Louisiana Hospital Association; and the President and Chief Executive Officer of Blue Cross Blue Shield of Louisiana.

Each panelist gave a brief introduction of their own before the meeting was opened to the Commission members for questions. Key points from each panelist:

- » The Executive Director of the Louisiana Primary Care Association gave an overview of the work of the organization: it oversees the operations of 30 federally qualified health care centers, representing over 300,000 patients, which amounts to over one million individual visits. He noted that the two largest groups of individuals who receive care in federally qualified health care centers are Medicaid patients and the uninsured – each representing 40 percent of the total patient base. He pointed out that the Louisiana Primary Care Association operates more under a business model structure, as they are not a state agency. As such, the state budget issues are affecting the way the organization operates. They are currently looking for other partners.
- » The Secretary of the Department of Health and Hospitals briefly discussed the changes the Department is making in light of the budget, including cuts to staff and funding for additional projects. The Department of Health and Hospitals faces a \$136 million cut in funding for the next fiscal year; this represents \$60 million in state general fund dollars and federal match dollars. In addition to the cuts, the Department is awaiting the approval of \$154 million in state general fund dollars in supplemental funding. Without the passage of the funding, there would be a two percent, across the board cut to services with the exceptions of cuts to nursing homes, pharmaceuticals and hospitals. The Secretary stated that if the supplemental funding (\$154 million) is not received, the biggest impact would be a one-third funding cut to the budget for the public-private partnerships. She noted that a cut this large would result in a reduction of services or private partners pulling out.

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- » The Executive Vice President and Chief Operating Officer of the Louisiana Hospital Association gave a brief overview of the Executive Budget cuts to hospitals, stating that the total cuts amounted to \$165 million. The cuts include \$10 million in reductions to outliers programs; \$7.3 million in Medicaid disproportionate share hospital pool dollars; \$142 million in funding shortfall in public-private partnership hospitals. He stated that the Department of Health and Hospitals supplemental funding awaiting passage in the Legislative Session of \$526 million includes state general funds and federal match dollars. He noted that without the passage of the supplemental funding, there would be a reduction of \$407 million to hospitals, amounting to a ten percent cut in Bayou Health reimbursements; 33 percent in cuts to Medicaid pricing; a ten percent reduction in funding to rural hospitals; and a 33 percent reduction to the public-private partnership funding.
- » The President and Chief Executive Officer of Blue Cross Blue Shield of Louisiana spoke about how the private sector is addressing some of the challenges of the state budget. He stated that his organization in affect represents 15,000 employers across the state; he noted that the cuts to the state budget are felt in private sector through cost shifting.

In addition to the opening remarks of each of the panelists, an open questions and answers session took place. Topics included, but were not limited to: patient care, medical school funding cuts, higher education cuts, pharmaceutical costs and palliative care.

## **EXECUTIVE COMMITTEE**

The Executive Committee for the Health Care Commission consists of the Chair, Vice Chair and three commission members representing health care providers, insurers and consumers. The mission of the Louisiana Health Care Commission Executive Committee is to plan the agenda for Louisiana Health Care Commission meetings, schedule any emergency meetings necessary between regular meetings and to propose subcommittee assignments. The Louisiana Health Care Commission Executive Committee held four meetings during this reporting period.

## **ACCESS TO CARE BROCHURE SUBCOMMITTEE**

The Louisiana Health Care Commission Access to Care Brochure Subcommittee was created in 2011 and began its work in 2012. When the Subcommittee was formed, the members agreed to create regional brochures for the uninsured population throughout the state listing local health care resources. During this reporting period, a seventh brochure for the Southwest Louisiana area was created, consisting of five parishes. An eighth brochure for the Acadiana Louisiana area was created, consisting of seven parishes. Approximately 10,000 brochures were printed for each region and electronic copies of the brochures are also available on the Department of Insurance website. Brochures for all nine Medicaid regions have been created, printed and distributed. Of the 105,000 resource brochures printed, over 82,000 have been distributed.

## **AFFORDABLE CARE ACT WORKING GROUP**

The Affordable Care Act Working Group of the Louisiana Health Care Commission was created to study the Affordable Care Act, including serving as a repository for information, comment and receiving questions from the public. The ACA Working Group met three times during this reporting period. Ultimately, the work of the Group was handed over to the Louisiana Public Health Institute.

## **ANNUAL HEALTH CARE CONFERENCE**

The Louisiana Department of Insurance held its Annual Health Care Conference on March 10, 2015, in Baton Rouge. There were approximately 500 consumers, health care providers, academics, government and business representatives from Louisiana and surrounding states in attendance. There were also 18 exhibitor booths at the conference.

Local and national speakers discussed health care issues that could affect many Louisiana policyholders, employers and providers. Conference panel topics included a status of Louisiana's public health care system, a federal health care reform update, a panel discussion of mental health and addictive disorders, a panel on producers' issues within the new Marketplace and Louisiana's private health insurance market. The keynote luncheon speaker was Peter Katzmarzyk, PhD, the Associate Executive Director for Population and Public Health for the Pennington Biomedical Research Center.

## **HELPFUL LINKS**

"Health Care Resources for the Uninsured" brochures, [www.ldi.la.gov/healthuninsured](http://www.ldi.la.gov/healthuninsured). Brochures created by the Louisiana Health Care Commission Access to Care Subcommittee which contain health care resources for the uninsured and underinsured population of the Acadiana, Central, Greater Baton Rouge, Houma, New Orleans, Northeast, Northshore, Northwest and Southwest regions.

Coverage to Care resources, [www.marketplace.cms.gov/technical-assistance-resources/c2c.html](http://www.marketplace.cms.gov/technical-assistance-resources/c2c.html). An effort to help educate consumers about their new coverage and to connect them with primary care and preventive services which are right for them.

Insurance producers authorized to sell health insurance, <http://www.ldi.la.gov/onlineservices/ProducerAdjusterSearch/>. Use the drop down menus: for "License Authority," choose "Individual Agent (Producer)"; for "Line of Authority," choose "Accident and Health."



# Office of Financial Solvency

# OFFICE OF FINANCIAL SOLVENCY

The Office of Financial Solvency consists of two divisions:

- » Financial Examinations Division
- » Actuarial Division

These divisions work together to examine and monitor the financial condition of all insurers approved to conduct the business of insurance in Louisiana. The type of regulated insurer varies and includes Louisiana domiciled (domestic), out of state (foreign) and out of country (alien) insurers. These companies may operate as life, health, property and casualty, health maintenance organizations, surplus lines, self-insurance funds (primarily workers' compensation insurance), title and vehicle mechanical breakdown companies. This Office is staffed primarily by accounting and actuarial professionals who review the financial condition of insurers for the protection of the policyholders and taxpayers of Louisiana.

The Office of Financial Solvency also administers the Insure Louisiana Incentive Program by examining incentive grant recipients to determine their earnings under the terms of the grant.

## FINANCIAL EXAMINATIONS DIVISION

The Financial Examinations Division is divided into two units: Financial Examinations, Financial Analysis.

The Financial Examinations Unit performs on-site examinations, at least once every five years as required by statute, of the financial, corporate and marketing practices of Louisiana domiciled insurers under the provisions and requirements of the Louisiana Insurance Code. Examinations may entail a review of all operations of insurers and their related transactions with affiliates or be confined to limited or targeted areas relating to the insurers' activities. The LDI commenced 31 financial examinations in Fiscal Year 2014-2015.

The Financial Analysis Unit analyzes the periodic financial statements and other required filings of licensed insurers. The activities of the analysts are important in the early detection of financially troubled insurers. During the course of the year, the analyst reviews consumer complaint data, financial statements, holding company registration statements, affiliated transactions, investments and other items. In addition, this unit performs financial reviews of insurance company acquisition transactions and insurance company licensing applications and mergers. The LDI analyzed the financial filings of 236 companies in Fiscal Year 2014-2015.

## **ACTUARIAL DIVISION**

The Actuarial Division is composed of two units: the Life and Health Actuarial Unit and the Property and Casualty Actuarial Unit.

The Life and Health Actuarial Unit provides actuarial expertise in the determination of the adequacy of the reserve liabilities established by life and health insurers and health maintenance organizations.

The Property and Casualty Actuarial Unit provides similar actuarial and reinsurance expertise to the examination and analysis of property and casualty insurers, title insurers, vehicle mechanical breakdown companies and self-insurance funds.

The Actuarial Division provides actuarial analysis of insurance legislation.

## **INSURE LOUISIANA INCENTIVE PROGRAM**

The Insure Louisiana Incentive Program was created by the Louisiana Legislature in 2007 to address an availability and affordability crisis in Louisiana residential and commercial wind and hail property insurance. The Program was intended to provide an incentive for existing Louisiana-licensed insurers to increase their wind and hail property insurance volume in Louisiana and for other property and casualty insurers to become licensed in Louisiana and provide wind and hail property insurance coverage to Louisiana property owners, particularly for properties located in the Gulf Opportunity Zone and/or currently insured by Louisiana Citizens Property Insurance Company.

By allocating \$100 million on a matching fund basis, the program had the potential to increase private market capacity by 15 percent. Of the \$100 million offered, a total of \$29 million was awarded among five insurers new to the Louisiana property market. An immediate impact of the program was the migration of policies from Citizens into the voluntary market through the participation of four of the Program participants in a “takeout” program offered by Citizens to reduce the level of its exposure. Additional impact on the property insurance market was experienced as the participants also provided coverage through traditional means.

The volume of premium written and assumed is the basis for the earning of the grant funds awarded. By law, participating insurers had 24 months, plus an additional year if a full extension was granted, from the inception of the Program to increase their premium volume and begin earning the funds awarded. Thereafter, the funds must be earned on an annual basis, unless an extension of up to one year is granted, with the final accounting to be rendered at the conclusion of the fifth of five “earning periods.”

**OFFICE OF FINANCIAL SOLVENCY**  
**INSURE LOUISIANA INCENTIVE PROGRAM**

During the period of July 1, 2014 – June 30, 2015, the Office of Financial Solvency audited the Louisiana premium reported written between April 1, 2013 and March 31, 2014 by one participating insurer: Imperial Fire and Casualty Insurance Company and between April 1, 2011 and March 31, 2012 by Companion Property & Casualty Insurance Company. The Office of Financial Solvency determined: Companion earned \$231,808.25, or 11.59 percent of its original \$2 million grant amount; Imperial earned \$817,443.04 or 16.35 percent of its original \$5 million grant amount.

Program grant recipient premium audited during the Fiscal Year and totals to date for the Program are displayed in Table 27.

**TABLE 27 GRANT RECIPIENT PREMIUM ASSUMED OR WRITTEN**

	<i>Audited 2014-2015</i>	<i>Program to Date</i>
Total	\$23,035,346.54	\$613,102,765.11
On property located in Gulf Opportunity Zone	\$21,107,024.58	\$592,655,588.07
On property previously insured in Citizens	\$3,240,983.60	\$200,848,141.31
On property located in Gulf Opportunity Zone and previously insured by Citizens	\$2,737,994.07	\$194,211,731.23

## HELPFUL LINK

Market Share Reports, <https://www.lidi.la.gov/onlineservices/TopTwentyPremiums/>. Downloadable PDF and Excel® reports by year on the top twenty property and casualty insurers, health insurers and life insurers, plus premiums written by line for all carriers, including Louisiana Citizens Property Insurance Corporation. Except for Citizens, the data source is the National Association of Insurance Commissioners.



# Office of Property and Casualty

# OFFICE OF PROPERTY AND CASUALTY

The Office of Property and Casualty consolidates the regulation of state and federal requirements applicable to commercial and personal lines of property and casualty insurance. This Office provides protection to Louisiana consumers and determines whether enhancements or modifications are necessary to assure continued compliance. This Office also provides the public with a forum for addressing major property and casualty issues. There are four divisions in operation:

- » Property and Casualty Rating Division
- » Property and Casualty Forms Division
- » Property and Casualty Compliance Division
- » Louisiana Property and Casualty Insurance Commission

## PROPERTY AND CASUALTY RATING DIVISION

Louisiana is a “prior approval” state, meaning companies cannot implement or impose their property and casualty rates or rules without first receiving approval from the Commissioner of Insurance via the Office of Property and Casualty Rating Division.

It is the purpose of the Office of Property and Casualty, through the authority granted to the Commissioner of Insurance under La. R.S. 22:1451 et seq., to ensure that all property and casualty rates and rules for admitted carriers are not excessive, inadequate or unfairly discriminatory. This is accomplished through:

- » Review of all initial rate and rule programs.
- » Review of all proposed rate and rule changes.
- » Actuarial review of all rate filings.

If actuarial data does not support a proposed rate change, the rate filing will be disapproved. Additionally, if the Rating Division finds that a proposed rule is not in compliance with the Louisiana statutes and regulations, then the proposed rule will be disapproved. A disapproval action prohibits the implementation of a proposed rate and/or rule.

The Actuarial Division (within the Office of Financial Solvency) reviews all rate filings. The actuaries then provide a written recommendation to the Rating Division for each rate filing reviewed. If other rate or rule filings are found to contain unresolved actuarial issues, a written actuarial recommendation is also provided to the Rating Division.

Actuarial review may result in a company’s filing being amended to a lesser or greater percentage change. A company can appeal the Commissioner’s decision to disapprove a rate or rule filing. Table 28 represents actions taken by the Office of Property and Casualty on rate revision requests which the Actuarial Division reviewed.

**OFFICE OF PROPERTY AND CASUALTY**  
**PROPERTY AND CASUALTY RATING DIVISION**

**RATE FILING IMPACT TABLE 28**  
**THREE-YEAR HISTORY**

<b>All Lines 7/1/2014 to 6/30/2015</b>				
<i>Filing Disposition</i>	<i>Requested Number</i>	<i>Percent of All Filings</i>	<i>Requested Dollar Impact</i>	<i>Approved Dollar Impact</i>
Disapproved	37	3.4%	\$33,617,910	\$0
Total Approved	619	57.6%	245,737,717	215,574,895
Approved with Amended Rate Change Percent	28	2.6%	105,628,703	78,852,831
All Other Approvals	591	55.0%	140,109,014	136,722,064
Withdrawn	51	4.7%	9,168,535	0
Commercial Informational, Individually Risk Rated and Consent-to-Rated	368	34.2%	not known; data not collected	not known; data not collected
<b>TOTALS</b>	<b>1,075</b>	<b>100.0%</b>	<b>\$288,524,162</b>	<b>\$215,574,895</b>
<b>All Lines 7/1/2013 to 6/30/2014</b>				
<i>Filing Disposition</i>	<i>Requested Number</i>	<i>Percent of All Filings</i>	<i>Requested Dollar Impact</i>	<i>Approved Dollar Impact</i>
Disapproved	55	3.8%	\$17,653,664	\$0
Approved	632	43.2%	302,580,783	260,957,769
Approved with Amended Rate Change Percent	31	2.1%	122,640,341	81,307,817
All Other Approvals	601	41.1%	179,940,442	179,649,952
Withdrawn	37	2.5%	26,752,930	0
Commercial Informational, Individually Risk Rated and Consent-to-Rated	740	50.5%	not known; data not collected	not known; data not collected
<b>TOTALS</b>	<b>1,464</b>	<b>100.0%</b>	<b>\$346,987,377</b>	<b>\$260,957,769</b>
<b>All Lines 7/1/2012 to 6/30/2013</b>				
<i>Filing Disposition</i>	<i>Requested Number</i>	<i>Percent of All Filings</i>	<i>Requested Dollar Impact</i>	<i>Approved Dollar Impact</i>
Disapproved	41	3.7%	\$106,999,058	\$0
Approved	567	51.0%	244,457,634	232,566,600
Approved with Amended Rate Change Percent	30	2.7%	68,681,547	53,835,923
All Other Approvals	537	48.3%	175,776,087	178,730,677
Withdrawn	22	2.0%	40,411,010	0
Commercial Informational, Individually Risk Rated and Consent-to-Rated	482	43.3%	not known; data not collected	not known; data not collected
<b>TOTALS</b>	<b>1,112</b>	<b>100.0%</b>	<b>\$391,867,702</b>	<b>\$232,566,600</b>

**OFFICE OF PROPERTY AND CASUALTY**  
**PROPERTY AND CASUALTY RATING DIVISION**

Table 29 on page 69 summarizes rate filings for the last three-year periods. Prior approval and a commercial deregulation hybrid are the only filing methods authorized in Louisiana. These provisions are as follows:

**PRIOR APPROVAL**

The prior approval provisions for rates and rules apply to the review process performed by the Office of Property and Casualty.

The company must submit a filing with the Office of Property and Casualty and wait 45 days before implementing a newly requested rate and/or rule revision. The Office of Property and Casualty can approve an early implementation of a new or revised rate and/or rule if the rate and/or rule has been reviewed and approved before the expiration of the 45 day wait period.

If an insurer has submitted a rate/rule filing to the LDI for review and the LDI does not disapprove the filing or state to the insurer that the filing is incomplete within 45 days of the filing's receipt by the Office of Property and Casualty, an insurer can implement the rate/rule pursuant to La. R.S. 22:1451(C) (2).

Consent-to-rate, individually rated risks and rates filed by self-insurance funds offering group workers' compensation coverage are also subject to prior approval. Pursuant to La. R.S. 23:1199, the rates for the workers' compensation self-insurance funds must be on file with the Office of Property and Casualty for 90 days prior to implementation.

**COMMERCIAL DEREGULATION**

The commercial deregulation provision is outlined in La. R.S. 22:1451(D). All commercial filings, both rate and rule, are filed with the Office of Property and Casualty. If a filing is designated by the insurance company as being negotiated, the policy has an annual premium of \$10,000 or greater, and if the line of business is any other than workers' compensation or medical malpractice, the company is required to submit an informational filing to the Office of Property and Casualty.

**METHODS OF RATE FILING TABLE 29**  
**THREE-YEAR HISTORY**

All Lines 7/1/2014 to 6/30/2015			
<i>Filing Method</i>	<i>Total Number of Rate Filings Reviewed<sup>1</sup></i>	<i>Number of Rate Filings Approved</i>	<i>Number of Rate Filings Not Approved<sup>2</sup></i>
Modified Prior Approval <sup>3</sup>	706	618	88
Consent-to-Rate <sup>4</sup>	218	217	1
Individually Risk Rated <sup>5</sup>	49	49	0
Commercial Informational <sup>6</sup>	101	91	10
Workers' Compensation Group Self-Insured Funds	1	1	0
<b>TOTALS: ALL FILING METHODS</b>	<b>1,075</b>	<b>976</b>	<b>99</b>
All Lines 7/1/2013 to 6/30/2014			
<i>Filing Method</i>	<i>Total Number of Rate Filings Reviewed<sup>1</sup></i>	<i>Number of Rate Filings Approved</i>	<i>Number of Rate Filings Not Approved<sup>2</sup></i>
Prior Approval <sup>3</sup>	722	630	92
Consent-to-Rate <sup>4</sup>	664	663	1
Individually Risk Rated <sup>5</sup>	21	21	0
Commercial Informational <sup>6</sup>	55	49	6
Workers' Compensation Group Self-Insured Funds	2	2	0
<b>TOTALS: ALL FILING METHODS</b>	<b>1,464</b>	<b>1,365</b>	<b>99</b>
All Lines 7/1/2012 to 6/30/2013			
<i>Filing Method</i>	<i>Total Number of Rate Filings Reviewed<sup>1</sup></i>	<i>Number of Rate Filings Approved</i>	<i>Number of Rate Filings Not Approved<sup>2</sup></i>
Prior Approval <sup>3</sup>	628	565	63
Consent-to-Rate <sup>4</sup>	354	354	0
Individually Risk Rated <sup>5</sup>	6	6	0
Commercial Informational <sup>6</sup>	122	120	2
Workers' Compensation Group Self-Insured Funds	2	2	0
<b>TOTALS: ALL FILING METHODS</b>	<b>1,112</b>	<b>1,047</b>	<b>65</b>

<sup>1</sup>*Filings Reviewed* includes those with a final disposition of *approved*, *NOT approved* or *withdrawn*. Pending reviews are not counted.

<sup>2</sup>*Not Approved* filings include *disapproved* and *withdrawn filings*. Pending reviews are not counted.

<sup>3</sup>La. R.S. 22:1401 et seq., pre-January 1, 2008.

<sup>4</sup>La. R.S. 22:1464(E), post-January 1, 2008.

<sup>5</sup>La. R.S. 22:1464(A)(1), post-January 1, 2008.

<sup>6</sup>La. R.S. 22:1451(D), post-January 1, 2008.

**OFFICE OF PROPERTY AND CASUALTY**  
**PROPERTY AND CASUALTY RATING DIVISION**

Not all lines of business shown in Table 30 are subject to rate regulation and are, therefore, not assessable. Lines not subject to rate regulation by the LDI include crop, federal flood, ocean marine, health and accident, aircraft and bail bonds (a subset of surety). Further, the Louisiana Workers' Compensation Corporation and surplus lines are exempt from this assessment.

Table 30 shows the Louisiana premiums paid to insurers in 2014 along with underwriting gains and losses by line, as reported to the National Association of Insurance Commissioners.

**LOUISIANA PROPERTY AND CASUALTY MARKET EXHIBIT OF      TABLE 30**  
**UNDERWRITING GAINS AND LOSSES BY LINE OF BUSINESS**  
**CALENDAR YEAR 2014**

<i>Line of Business</i>	<i>(A) Direct Premium Written</i>	<i>(B) Direct Premium Earned</i>	<i>(C) Dividends Paid</i>	<i>(D) Incurred Losses &amp; Adjustment Expenses</i>	<i>(E) Estimated Underwriting Expenses</i>	<i>(F) Estimated Other Income / (Expense)</i>	<i>(G) Estimated Underwriting Gain/(Loss), Excluding Investment Income</i>
Fire	347,850,995	358,534,921	219,113	70,231,422	115,055,495	4,460,536	177,489,427
Allied Lines	480,240,934	472,434,804	418,134	81,687,156	143,605,623	24,602,960	271,326,851
Multiple Peril Crop	79,396,299	81,997,284	-	32,623,348	4,375,073	(815)	44,998,048
Federal Flood	264,912,601	262,257,451	-	14,734,284	78,313,874	(101,883)	169,107,409
Private Crop	1,262,487	1,262,487	-	2,039,290	241,355	171	(1,017,987)
Farmowners Multiple Peril	13,270,301	12,966,872	-	6,028,376	4,958,325	(12,209)	1,967,962
Homeowners Multiple Peril	1,805,758,136	1,781,764,525	5,738,089	574,696,700	630,496,626	12,529,878	583,362,988
Commercial Multiple Peril (Non-Liability)	386,110,433	381,368,529	66,705	187,611,887	144,631,313	(1,613,114)	47,445,510
Commercial Multiple Peril (Liability)	150,774,796	146,583,231	22,749	75,627,965	62,880,122	(229,905)	7,822,490
Mortgage Guaranty	57,981,927	55,967,188	-	11,064,427	16,084,304	3,633,504	32,451,960
Ocean Marine	211,189,619	221,007,071	8,428	89,837,117	74,251,710	(761,112)	56,148,705
Inland Marine	405,402,658	387,322,347	203,306	147,249,707	135,916,105	(2,142,135)	101,811,094
Financial Guaranty	2,101,708	14,873,849	-	(447,839)	4,782,409	1,733,201	12,272,480
Medical Malpractice	101,395,620	102,102,964	2,750,390	32,520,129	41,407,941	2,086,616	27,511,121
Earthquake	6,487,278	7,171,935	9,687	(126,714)	1,558,752	(198,987)	5,531,223
Group Accident and Health	41,576,498	40,437,589	-	25,920,047	9,154,414	(1,296,652)	4,066,476
Credit Accident and Health	1,639,704	1,487,156	-	315,912	714,075	14,311	471,480
Other Accident and Health	18,230,198	13,873,232	400	13,767,369	4,993,047	(4,510,513)	(9,398,096)
Workers' Compensation	868,836,066	851,663,614	70,328,983	511,999,224	283,762,513	(8,645,371)	(23,072,477)
Other Liability-Occurrence	671,704,624	641,625,518	442,812	496,683,237	233,238,379	(5,776,649)	(94,515,559)
Other Liability-Claims-Made	205,072,946	199,767,088	(3,952)	101,434,951	66,752,701	(3,386,213)	28,197,174
Excess Workers' Compensation	53,502,380	52,201,304	-	42,055,928	17,016,387	(127,039)	(6,998,050)
Products Liability	48,458,203	46,221,485	1,092	(21,138,810)	26,140,563	(28,615)	41,190,026
Private Passenger Auto Liability	2,316,772,409	2,286,351,582	6,147,978	1,776,071,924	774,673,192	12,127,009	(258,414,503)
Commercial Auto Liability	512,862,386	495,232,599	23,466	505,043,635	174,707,081	4,136,828	(180,404,755)
Private Passenger Auto Physical Damage	1,385,826,010	1,362,470,752	3,898,670	817,661,523	462,364,065	5,859,639	84,406,132
Commercial Auto Physical Damage	104,675,607	103,517,268	5,899	53,658,429	41,917,125	(336,251)	7,599,564
Aircraft (All Perils)	50,689,921	53,158,913	-	38,022,992	16,497,184	(192,626)	(1,553,889)
Fidelity	12,959,940	12,825,093	54	4,897,409	5,169,518	(51,034)	2,707,078
Surety	107,255,777	109,654,186	-	33,137,199	55,489,109	(213,495)	20,814,383
Burglary and Theft	3,799,556	3,657,170	10	914,307	1,609,723	(16,312)	1,116,819
Boiler and Machinery	27,588,460	27,225,388	631	90,188,009	8,781,769	(834,167)	(72,579,188)
Credit	25,865,874	25,925,837	-	4,971,574	14,277,966	93,995	6,770,292
Warranty	8,197,565	16,345,091	-	4,495,526	2,593,143	(21,327)	9,235,095
Aggregate Write-Ins, Other Lines of Business	<b>17,698,632</b>	<b>18,820,222</b>	-	<b>(40,196,468)</b>	<b>4,221,321</b>	<b>203,976</b>	<b>54,999,345</b>
<b>Totals</b>	<b>10,797,348,548</b>	<b>10,650,076,545</b>	<b>90,282,644</b>	<b>5,785,281,172</b>	<b>3,662,632,302</b>	<b>40,986,200</b>	<b>1,152,866,628</b>

(A) Actual Reported Louisiana Experience, 2014 Property and Casualty Annual Statement, Page 19 (State Page), Column 1.

(B) Actual Reported Louisiana Experience, 2014 Property and Casualty Annual Statement, Page 19 (State Page), Column 2.

(C) Actual Reported Louisiana Experience, 2014 Property and Casualty Annual Statement, Page 19 (State Page), Column 3.

(D) Actual Reported Louisiana Experience, 2014 Property and Casualty Annual Statement, Page 19 (State Page), Columns 6 and 9.

(E) Actual Reported Louisiana Experience - Commission and Premium Tax Expenses, 2014 Property and Casualty Annual Statement (Page 19 (State Page) , Columns 11 and 12) + Estimated Louisiana Experience based upon Nationwide Ratio of Other Adjustment, Acquisition and General Expenses to Earned Premium (2014 Insurance Expense Exhibit - Part III, Columns 11, 27 and 29).

(F) Estimated Louisiana Experience based upon Nationwide Ratio of Other Income/Expense to Earned Premium, 2014 Insurance Expense Exhibit - Part III, Column 31.

(G) Calculation = Columns B - C - D - E + F

REPORT DATE: September 9, 2015

CAUTION: This page is unaudited and may contain inadvertent errors.

# PROPERTY AND CASUALTY FORMS DIVISION

The Forms Division reviews contract forms submitted by insurers for compliance with applicable statutes, rules and regulations.

The forms review process emphasizes:

- » Compliance with all applicable state and federal laws, rules and regulations.
- » Avoidance of any inconsistent, ambiguous or misleading language, text or format.
- » Assurance that exceptions and conditions affecting the risks are clearly stated and are reasonable.
- » Assurance of consumer protection to the extent authorized by law.

Table 31 shows the total number of policy forms reviewed by the Forms Division.

**TABLE 31 PROPERTY AND CASUALTY FORMS PROCESSED  
THREE-YEAR HISTORY**

<i>Fiscal Year</i>	<i>Total Number of Forms Processed</i>
07-01-2014 to 06-30-2015	23,314
07-01-2013 to 06-30-2014	19,267
07-01-2012 to 06-30-2013	20,651

Of the total number of policy forms in Fiscal Year 2014-2015, 71 percent were approved prior to use, either by receiving LDI approval or by utilizing the Certified Approved process. Table 32 presents the numbers of approval and disapproval actions taken on all forms processed. However, Table 32 does not include numbers for forms received for informational purposes only, forms withdrawn or filings where companies adopt filing organizations' forms which the Forms Division had previously approved for use in Louisiana.

**TABLE 32 ACTIONS TAKEN ON PROPERTY AND CASUALTY FORMS PROCESSED  
THREE-YEAR HISTORY**

<i>Fiscal Year</i>	<i>Approved</i>	<i>Disapproved</i>
07-01-2014 to 06-30-2015	16,464	4,631
07-01-2013 to 06-30-2014	14,767	3,038
07-01-2012 to 06-30-2013	15,104	3,126

## PROPERTY AND CASUALTY COMPLIANCE DIVISION

The Compliance Division monitors the marketing, underwriting, customer service and claims handling practices of property and casualty insurers and producers conducting business in Louisiana. Additionally, the Compliance Division provides information and assistance to consumers and industry representatives by responding to inquiries and providing informational pamphlets and brochures. The activities of the Compliance Division include:

- » Resolving policyholder grievances regarding property and casualty insurance coverage and policyholders' legal rights.
- » Enforcing industry compliance with consumer protection regulations.
- » Upon request, distributing Louisiana Department of Revenue forms for claiming income tax credit for Louisiana Citizens Property Insurance Corporation assessments.
- » Educating the public about insurance coverage and how to avoid future problems.

**ACTIVITIES OF THE PROPERTY AND CASUALTY COMPLIANCE DIVISION TABLE 33  
THREE-YEAR HISTORY**

	<i>Fiscal Year 2014-2015</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>
<b>Consumer Complaint Investigations</b>			
Opened	1,714	1,510	2,014
Closed	1,744	1,484	1,979
In Progress at End of Fiscal Year	138	167	134
Amount of Benefits and Refunds Recovered	\$1,292,770	\$2,406,061	\$3,899,844
Amount of Fines Levied for Failure to Respond Timely to a Complaint	\$1,500	\$0	\$0
<b>Related Activities</b>			
Walk-Ins Assisted	46	55	64
Publications Mailed	3,829	2,957	2,592
Public Presentations	0	0	2

# **LOUISIANA PROPERTY AND CASUALTY INSURANCE COMMISSION**

## **LEGISLATIVE BACKGROUND AND PURPOSE**

In 1997, the Louisiana Legislature created the Council on Automobile Insurance Rates and Enforcement to undertake a comprehensive study and provide oversight and recommendations aimed at enforcement of those laws and programs that affect automobile insurance rates. The Council on Automobile Insurance Rates and Enforcement researched and studied many ideas that have been beneficial in the area of lowering automobile insurance rates including, but not limited to, the impoundment law, “No Pay, No Play,” stronger penalties for driving while intoxicated, graduated licensing, automobile insurance checkpoints and a crackdown on insurance fraud.

In 2001, the Louisiana Legislature expanded the Council on Automobile Insurance Rates and Enforcement’s realm of study to include homeowners insurance and workers’ compensation insurance, and therefore forming the Louisiana Property and Casualty Insurance Commission. This Commission, which consists of three ad-hoc committees (Automobile Insurance Ad-Hoc Committee, Homeowners Insurance Ad-Hoc Committee and Workers’ Compensation Insurance Ad-Hoc Committee), reviews and examines the availability and affordability of property and casualty insurance in the state.

This Commission submits an annual report to the Governor, Commissioner of Insurance and the Legislature, which includes its recommendations based upon its research, analysis and testimony regarding applicable, relevant and appropriate issues affecting the property and casualty arena.

The Louisiana Property and Casualty Insurance Commission is authorized under La. R.S. 22:2171.

## **MEMBERSHIP**

The 24-member Commission is composed of insurance industry experts and other interested parties, including national and state property insurer associations, agent associations, law enforcement, community leaders and representatives of various consumer interests. Membership also includes representatives from the Commissioner of Insurance, the Governor’s office, the Attorney General’s office, the Senate and House Committees on Insurance and an appointment designated by the Commissioner of Insurance and a representative of the National Association of Mutual Insurance Companies.

## **LEGISLATIVE RECOMMENDATIONS**

The recommendations for the 2015 Regular Session were:

- » Extend the exemption of the 10 percent surcharge to the Citizens policyholders in the designated coastal parishes.
- » Increase seat belt fines.
- » Provide legislation for the regulation of transportation network companies in regards to appropriate liability insurance coverage.
- » Lower the civil jury trial threshold from \$50,000, or lower the civil jury trial threshold in conjunction with raising the prescriptive period, or lower the civil jury trial threshold in increments over a period of years.

## **KEY ISSUES ADDRESSED**

During Fiscal Year 2014-2015, this Commission met four times to discuss issues affecting the property and casualty insurance market in Louisiana.

The following issues were discussed or presentations made:

- » Remarks: Commissioner of Insurance, Jim Donelon, on revitalization of the property and casualty market since hurricanes Katrina and Rita in 2005 and the recent legislative session.
- » Overview: Workers Compensation.
- » Presentation: “What Will It Take to Reduce Distracted Driving and Save Lives?” presented by Mr. Joel Feldman, founder of EndDistractedDriving.org.
- » Report: Transportation Network Companies and the livery exclusion in private passenger auto insurance.
- » Recommendations: Presented and voted upon.

## HELPFUL LINKS

Product Filing Requirements for Insurers, <http://ia.lidi.state.la.us/productmatrix/>. Includes a fee calculator, FAQs and additional help.

Insurance producers authorized to sell property and casualty insurance, <https://www.lidi.la.gov/onlineservices/ProducerAdjusterSearch>. Use the drop down menus; for “License Authority,” choose “Individual Agent (Producer)”; for “Line of Authority,” choose “Property” or “Casualty.”

Louisiana Citizens Insurance Rebate and Tax and Insurance Savings, <http://www.lidi.la.gov/consumers/citizens-rebate/forms>. Information and forms to file to receive rebates for assessments paid on property insurance bills. Also includes links to information on state tax deduction and insurance premium discounts for homeowners who strengthen homes against wind storms.

The Louisiana Property and Casualty Insurance Commission Meeting Report, <http://www.lidi.la.gov/industry/resources-and-publications/lpcic>. The Louisiana Property and Casualty Insurance Commission staff publishes reports and distributes them to a statewide list of interested parties.

The Louisiana Property and Casualty Insurance Commission Annual Report, <http://www.lidi.la.gov/industry/resources-and-publications/lpcic/lpcic-annual-reports>.



# Division of Legal Services

# DIVISION OF LEGAL SERVICES

## LEGAL SERVICES

### RESPONSIBILITIES AND ACTIVITIES

The Division of Legal Services in the Department of Insurance was created by La. R.S. 36:689 and is under the direction of the Executive Counsel. The Division of Legal Services acts as the legal counsel and enforcement arm of the LDI. Its functions include drafting regulations, directives, advisory letters and bulletins; preparing and monitoring legislation; representing the LDI in litigation before federal, state and administrative courts; enforcing insurance regulatory laws in administrative hearings; and assisting LDI staff by providing legal advice on policy forms and any other insurance related matters. This Division also serves as a liaison between the LDI and other federal, state and local government departments, agencies and commissions as well as insurance companies, producers and consumers. The Division of Legal Services may provide legal opinions to the insurance industry, other regulators and LDI personnel.

### ADMINISTRATIVE HEARINGS

In Fiscal Year 2014-2015, the Division of Legal Services tracked 272 activities related to legal representation of the LDI in its enforcement and regulatory capacity. Each attorney works closely with different LDI offices and divisions to enforce the requirements of Title 22, the Louisiana Insurance Code.

Staff attorneys also serve as prosecutors for violations of the Insurance Code in legal hearings by the Division of Administrative Law. See Table 34 for the legal issues involved.

**TABLE 34 LEGAL ISSUES/ADMINISTRATIVE HEARINGS  
THREE-YEAR HISTORY**

	<i>Fiscal Year 2014-2015</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>
Bail Bond Forfeitures	182	239	230
Cease and Desist Orders	23	9	9
Failure to Pay Taxes, Fines or Assessments	8	3	7
Misappropriations	14	4	5
Misrepresentations	8	4	0
Revocation of Certificate of Authority/License	18	4	0
Unlicensed/Unauthorized Producers or Companies	10	4	5
Other	9	2	11
<b>TOTALS</b>	<b>272</b>	<b>269</b>	<b>267</b>

## **FINES COLLECTED**

In Fiscal Year 2014-2015, the Division of Legal Services assisted the Commissioner of Insurance in collecting \$86,300 in civil fines.

## **RULES, REGULATIONS, DIRECTIVES, ADVISORY LETTERS, BULLETINS**

In addition to administrative hearings, other key responsibilities of the Division of Legal Services center on legislation, regulatory policies and legal opinions. A list of advisory letters, bulletins, directives and regulations promulgated in Fiscal Year 2014-2015 follows.

Advisory Letter 2014-03: Effect of Act 47 of the 2014 Regular Session of the Louisiana Legislature Relative to the Term Policy Conversion Option Notice Requirement. Issued August 8, 2014.

<https://ldi.la.gov/docs/default-source/documents/legaldocs/AdvisoryLetters/AL2014-03-Cur-EffectOfAct47OfThe2014>

Advisory Letter 2014-04: Use of Death Master File. Issued September 5, 2014.

<https://ldi.la.gov/docs/default-source/documents/legaldocs/AdvisoryLetters/AL2014-04-Cur-UseOfDeathMasterFile>

Advisory Letter 2014-05: Act 427 of the 2014 Regular Session of the Louisiana Legislature. Issued October 15, 2014.

<https://ldi.la.gov/docs/default-source/documents/legaldocs/AdvisoryLetters/AL2014-05-Cur-ActNo427OfThe2014Reg>

Advisory Letter 2015-01: "Value Added" Services & the Giving of Things of Value; Common Marketing Practices; Rescission of Bulletin No. 2010-05. Issued June 3, 2015.

<https://ldi.la.gov/docs/default-source/documents/legaldocs/AdvisoryLetters/AL2015-01-cur-ValueAddedServicesTh>

Advisory Letter 2015-02: Producer Compensation; Rescission of Advisory Letter 2010-01. Issued June 3, 2015.

<https://ldi.la.gov/docs/default-source/documents/legaldocs/AdvisoryLetters/AL2015-02-cur-ProducerCompensation>

Bulletin 2014-06: Hospital or Other Fixed Indemnity Insurance & State Enforcement of Title 45 of the Code of Federal Regulations. Issued September 22, 2014.

<https://ldi.la.gov/docs/default-source/documents/legaldocs/Bulletins/Bul2014-06-Cur-HospitalOrOtherFixed>

Bulletin 2014-07: Health Rate & Form Filing Confidentiality Under the Louisiana Public Records Act. Issued November 14, 2014.

<https://ldi.la.gov/docs/default-source/documents/legaldocs/Bulletins/bul2014-07-cur-healthrate-formfilin>

Bulletin 2014-08: External Review Process Effective on January 1, 2015. Issued December 24, 2014.

<https://ldi.la.gov/docs/default-source/documents/legaldocs/Bulletins/Bul2014-08-Cur-ExternalReviewProcess>

**DIVISION OF LEGAL SERVICES**  
**LEGAL SERVICES**

- Bulletin 2015-01: Filing Procedures for Compliance with the Provisions of the Terrorism Risk Insurance Program Reauthorization Act of 2015. Issued February 12, 2015.  
<https://ldi.la.gov/docs/default-source/documents/legaldocs/Bulletins/Bul2015-01-Cur-FilingProceduresForC>
- Bulletin 2015-02: Family Composite Premiums in the Small Group Market. Issued February 20, 2015.  
<https://ldi.la.gov/docs/default-source/documents/legaldocs/Bulletins/Bul2015-02-Cur-FamilyCompositePremi>
- Bulletin 2015-03: Extension of Transitional Relief for Non-Grandfathered Coverage Under the ACA for the 2016 Policy/Plan Year. Issued February 23, 2015.  
<https://ldi.la.gov/docs/default-source/documents/legaldocs/Bulletins/Bul2015-03-Cur-ExtensionOfTransitio>
- Bulletin 2015-04: Deadlines for Health Insurance Issuer Submissions of Form and Rate Filings & Plan Management Binders. Issued March 12, 2015.  
<https://ldi.la.gov/docs/default-source/documents/legaldocs/Bulletins/bul2015-04-cur-deadlinesforhealthin>
- Bulletin 2015-05: Rescission of Bulletin 2011-02 and Rescission of Advisory Letter No. 2012-01. Issued June 3, 2015.  
<https://ldi.la.gov/docs/default-source/documents/legaldocs/Bulletins/Bul2015-05-cur-RescissionOfBulletin>
- Directive 207: Health Coverage Purchased for Student Athletes by Universities & Colleges. Issued August 8, 2014.  
<https://ldi.la.gov/docs/default-source/documents/legaldocs/Directives/Dir207-Cur-HealthCoveragePurcha>
- Rule 8: A New Annuity Mortality Table for Use in Determining Reserve Liabilities for Annuities. Adopted September 20, 2014.  
<https://ldi.la.gov/docs/default-source/documents/legaldocs/rules/rule8-cur-anewannuitemortality>
- Regulation 102: Approved Assurance Organizations. Notice of Intent September 20, 2014.  
<https://ldi.la.gov/docs/default-source/documents/legaldocs/Regulations/Reg102-Cur-ApprovedAssuranceOrg>

# LITIGATION DISCLOSURE ANNUAL REPORT

## LA. R.S. 36:8.1 REPORT BY THE COMMISSIONER

### *§8.1. Litigation oversight; reports to the legislature*

*A.(1)(a) The head of each agency shall make and publish an annual report to the legislature containing a list of all civil actions brought in a court of law by the agency as a named party plaintiff.*

*(b) The attorney general shall make and publish an annual report to the legislature containing a list of all civil actions brought in a court of law by the state of Louisiana as a named party plaintiff.*

*(2) Each such report shall include all cases instituted, pending, or concluded during the preceding calendar year and shall:*

*(a) Contain the names of all parties appearing as plaintiffs at any time during the litigation and all parties named as defendants at any time during the litigation as they appear on the pleadings, the court that has jurisdiction over the matter, the docket number, the cause of action being averred, and the relief being sought.*

*(b) Indicate the current status of the case, including whether the case has been heard on the merits, whether there is a final judgment therein and, if so, an indication if the final judgment was determined on a procedural or substantive issue, whether the case has settled prior to any final judgment, and whether an appeal has been taken and, if so, if that appeal was initiated by the agency.*

*(c) List the name or names of all outside counsel representing the agency or the state and the agreement of the agency or the attorney general on behalf of the agency or the state, including the hourly rate of pay for the attorney or attorneys and paraprofessionals or the percentage of compensation or commission or any other arrangement relative to compensation, including payment of compensation by a defendant.*

*(3)(a) One week before the convening of each annual legislative session, a copy of the report shall be submitted by the head of each agency and the attorney general to the presiding officer of each house of the legislature and shall also be submitted in accordance with the provisions of R.S. 24:772.*

*(b) The presiding officer shall refer the report to the appropriate committee having jurisdiction of the subject matter as provided in the rules of the respective house, and any legislative committee which receives a report may conduct a hearing thereon.*

Litigation active during the 2014 calendar year in which the LDI was the plaintiff included three cases instituted during the year, three pending, and one concluded.

**TABLE 35 LAWSUITS BROUGHT BY THE COMMISSIONER OR DEPARTMENT OF INSURANCE  
 CALENDAR YEAR 2015**

<i>Docket Number</i>	<i>Court</i>	<i>Plaintiffs (at any time)</i>	<i>Defendants (at any time)</i>	<i>Cause of Action</i>	<i>Relief Sought</i>	<i>Current Status</i>	<i>Counsel Information</i>
576792	19th JDC	Louisiana Department of Insurance	Escude Life Insurance Company	Receivership	Rehabilitation	Rehabilitation	Michael Charles Guy, Attorney General
499737	19th JDC	Louisiana Department of Insurance	AmCare Health Plans of Louisiana, Inc.	Receivership	Rehabilitation	Rehabilitation	Michael Charles Guy, Attorney General
501867	19th JDC	Louisiana Department of Insurance	Patterson Insurance Company	Receivership	Rehabilitation	Rehabilitation	Michael Charles Guy, Attorney General
625219	19th JDC	Louisiana Department of Insurance	Gertrude Geddes Willis Life Insurance	Receivership	Rehabilitation	Rehabilitation	Michael Charles Guy, Attorney General
629200	19th JDC	Louisiana Department of Insurance	Louisiana Employers-Managed Insurance Company and Employers Mutual Insurance Holding Company	Receivership	Rehabilitation	Rehabilitation	Michael Charles Guy, Attorney General
633396	19th JDC	Louisiana Department of Insurance	Mothe Life Insurance Company and Its Wholly Owned Subsidiary, DLE Life Insurance Company	Receivership	Rehabilitation	Rehabilitation	Michael Charles Guy, Attorney General
6288016	19th JDC	Louisiana Department of Insurance	Snider Mutual Funeral Association	Receivership	Rehabilitation	Rehabilitation	Michael Charles Guy, Attorney General

## **HELPFUL LINKS**

Regulatory documents issued during 2014-2015 are linked to descriptions on pages 79 and 80.

All currently effective advisory letters, bulletins, directives, rules and regulations, <https://www.ldi.la.gov/onlineservices/documentsearch/>. This document search feature may be filtered by keywords in the document name, by document type, by LDI office associated with the subject matter and by the year of promulgation.

For information on rules or regulations currently in the adoption process, <http://www.ldi.la.gov/public-hearing-and-rulemaking-notices>. Actions posted here remain available for at least one year in accordance with La. R.S. 49:974.

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# Division of Insurance Fraud

# DIVISION OF INSURANCE FRAUD

The Division of Insurance Fraud consists of two units:

- » Fraud and Background Investigations
- » Louisiana Automobile Theft and Insurance Fraud Prevention Authority

## FRAUD AND BACKGROUND INVESTIGATIONS

The Division of Insurance Fraud investigates all forms of suspected insurance fraud:

- » Claims fraud.
- » Producer fraud, including bail bond agents and bail enforcement agents.
- » Claims adjuster fraud.
- » Company fraud, including fraud committed by a company or fraud committed against a company (i.e., insider fraud).
- » Provider fraud, which includes doctors, attorneys, body shops, pharmacies or any person or entity playing a role in the insurance process.

Investigators work closely with the various offices and divisions within the LDI and other departments of insurance across the nation, as well as with the Insurance Fraud/Auto Theft Investigation Unit of the Office of State Police and the Insurance Fraud Support Unit of the Office of the Attorney General, local and federal law enforcement officers, prosecutors, insurance company personnel, insurance agencies and the general public in their mission to reduce fraud in Louisiana. The Division of Insurance Fraud places emphasis on the following:

- » Investigating suspected fraudulent claims and working closely with the respective law enforcement agencies and prosecutors' offices for the successful investigation and prosecution of individuals involved in fraudulent insurance activities.
- » Investigating insurance producers and companies suspected of engaging in fraudulent practices and working with the respective law enforcement agencies and prosecutors' offices for the successful prosecution of individuals involved in fraudulent activities.
- » Performing background investigations on companies, individuals and other entities seeking to conduct the business of insurance in Louisiana.
- » Performing background investigations on individuals seeking an 18 U.S.C. § 1033 consent to engage in the business of insurance.
- » Supervising the filing of insurance anti-fraud plans and the annual statistical reports.

Since 1999, an assessment on insurance premiums has provided funding to combat insurance fraud. The funds are dedicated to the insurance fraud units within the Office of State Police and the Office of the Attorney General and for additional assistance to the Division of Insurance Fraud of the LDI. The fraud units of the three agencies work closely as a task force, each playing a vital role in the process, from preliminary investigation and criminal referral, to arrest and prosecution. In 2012, legislation passed to establish an additional funding source by imposing fines and a treble damage penalty on insurance fraudsters. In 2013, legislation passed allowing fraud investigators to become Peace Officer Standards and Training certified and to carry weapons while in performance of their duties.

## **DIVISION OF INSURANCE FRAUD**

### **FRAUD AND BACKGROUND INVESTIGATIONS**

Any law enforcement authority may investigate insurance fraud, but the majority of cases are channeled through the State Police Insurance Fraud/Auto Theft Investigation Unit. When local authorities pursue insurance fraud cases, the Division of Insurance Fraud works with them and may serve as an informal liaison between them and the State Police.

The State Police developed the Homeland Security Information Network, an information sharing website for the three fraud units to share information among themselves and with special investigation units of the insurance industry. The status of all cases referred to the State Police can be found on the Homeland Security Information Network, along with arrest messages and an information sharing link. The information included on the Homeland Security Information Network is confidential and accessible only by the insurance fraud task force members and industry special investigation units, which must sign confidentiality agreements before being permitted access.

The Division of Insurance Fraud plays a critical role in insurance fraud prevention. The key components are educating the public and regulated entities and conducting extensive background investigations. The Division of Insurance Fraud's efforts in the area of education include press releases, brochures, an online presence and presentations to various groups and organizations about insurance fraud.

## **CLAIMS FRAUD**

The Division of Insurance Fraud received 5,790 reports of suspected fraudulent claims during Fiscal Year 2014-2015. The majority were from insurance companies in accordance with La. R.S. 22:1926. Since its inception in 2007, the Division of Insurance Fraud database has accumulated 24,547 entries of suspected fraudulent claims.

The database enables the Division of Insurance Fraud to determine patterns of numerous suspicious claims which involve an individual claimant, possibly several insurance companies and specific medical providers, attorneys or possibly insurance company staff. Analysis of the data may expose fraudulent schemes.

Exaggerated loss statements are reported more frequently than any other type of suspected fraud. Exaggerated losses include the following:

- » Claiming greater and more prolonged severity of a physical injury than actually occurred.
- » Claiming damage to a vehicle from a wreck when the damage actually occurred from another wreck or incident.
- » Claiming property was destroyed or burglarized in a home when in fact the items never existed or were never stolen or destroyed.

Other examples of fraudulent claims include staged accidents (i.e., planned incidents that are made to appear and claimed by the participants to be "accidents" involving some type of loss), automobile arson, automobile "give ups," provider fraud and medical/health care fraud.

Louisiana laws (La. R.S. 22:1926 and 40:1424) require the reporting of all cases of suspected fraudulent activity to the LDI Division of Insurance Fraud. Suspected fraudulent claims can be made through

**DIVISION OF INSURANCE FRAUD**  
**FRAUD AND BACKGROUND INVESTIGATIONS**

the Department’s online link to the National Association of Insurance Commissioners Online Fraud Reporting System for consumers, members of the general public, companies or industry employees wanting to report fraud. Property and casualty insurance companies who are members of the National Insurance Crime Bureau may report questionable/suspect insurance claims through the ISO Claim Search Link which is also on the LDI website.

The Division of Insurance Fraud referred 1,751 claim fraud investigations to the State Police during the Fiscal Year. There were 174 arrests resulting in 363 charges for numerous crimes as a result of criminal referrals related to suspected fraudulent insurance claims. Those charges are categorized in Table 37.

**PRODUCER, ADJUSTER AND COMPANY FRAUD**

Investigations of insurance producers, claims adjusters and companies may involve misrepresentation; misappropriation (by any person) of funds belonging to the policyholder; activities of premium finance companies; activities by unlicensed and/or unauthorized entities; and the issuance/use of fraudulent insurance identification cards or certificates of insurance. The single greatest producer fraud activity, from an administrative perspective, continues to be misappropriation of funds from a policyholder. Since these funds go unreported to an insurance company or premium finance company, counterfeit insurance identification cards and certificates of insurance may also be involved.

Investigations include the compilation, research and analysis of information obtained by the Division of Insurance Fraud from consumer complaints, producers, companies, LDI offices and additional sources. A detailed analysis is done to determine if sufficient evidence exists to justify LDI action and/or criminal referral. Investigators work closely with law enforcement during on-site investigations of fraudulent activity and with the gathering of additional evidence, if warranted. This Division referred ten producer investigations to law enforcement.

**TABLE 36 ACTIONS TAKEN REGARDING PRODUCER, CLAIMS ADJUSTER AND COMPANY FRAUD THREE-YEAR HISTORY**

	<i>Fiscal Year 2014-2015</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>
Number of Investigations Opened	88	82	29
Cease and Desist Orders Served	17	14	5
Notices of Proposed Action Served	12	13	5
Criminal Referrals to Law Enforcement	13	10	9
Arrests Made as a Result of Criminal Referrals	5	1	2

**DIVISION OF INSURANCE FRAUD**  
**FRAUD AND BACKGROUND INVESTIGATIONS**

**CHARGES AGAINST CLAIMANTS OR LICENSEES TABLE 37**  
**RESULTING FROM REFERRALS BY CATEGORY**

<i>Category</i>	<i>Number of Charges*</i>	<i>Percent of Crimes</i>
Insurance Fraud	202	55.6%
Forgery	45	12.4%
Failure to Remit Premiums	30	8.3%
Felony Theft	29	8.0%
Filing False Public Records	23	6.3%
Contractor Fraud	11	3.0%
Identity Fraud	4	1.1%
Monetary Instrument Abuse	4	1.1%
Criminal Conspiracy	3	0.8%
Prohibited Acts	3	0.8%
Unauthorized Use of a Moveable	3	0.8%
Accessory After the Fact	1	0.3%
Damage to Property with Intent to Defraud	1	0.3%
Fraudulent Acquisition of a Rental Vehicle	1	0.3%
Perjury	1	0.3%
Possession of a Fraudulent Insurance ID Card	1	0.3%

\*An arrest may include multiple charges.

## **BACKGROUND INVESTIGATIONS**

One of the duties and responsibilities of the Division of Insurance Fraud is to investigate the backgrounds of companies, officers, directors, medical necessity review organizations, claims adjusters and other entities applying to conduct the business of insurance in Louisiana. This includes changes of officers and directors of domestic companies currently authorized to do business in the state.

Contacts utilized to conduct background investigations include, but are not limited to, the following:

- » U.S. Attorneys.
- » District Attorneys.
- » FBI and other federal enforcement agencies.
- » Other state law enforcement agencies nationwide.
- » Sheriff departments across the state.

**DIVISION OF INSURANCE FRAUD**  
**FRAUD AND BACKGROUND INVESTIGATIONS**

- » Other state insurance regulatory agencies nationwide.
- » Federal and state agencies involved in the regulation of securities.
- » Professional licensing boards in all states, nationally and internationally.
- » Professional associations and organizations at all levels.
- » Other regulatory agencies, depending on the background of the entity involved.
- » Fraud prevention and detection organizations such as the National Insurance Crime Bureau, Coalition Against Insurance Fraud and the International Association of Special Investigative Units, as well as the National Association of Insurance Commissioners.

**TABLE 38 BACKGROUND INVESTIGATIONS**  
**THREE-YEAR HISTORY**

	<i>Fiscal Year 2014-2015</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>
Company Applications Received	128	165	261
Company Applications Approved	128	165	656
Company Biographical Affidavits Received	1,088	1,116	1,644
Company Biographical Affidavits Approved	1,088	1,116	1,550

**18 U.S.C. § 1033 CONSENT**

The Division of Insurance Fraud also investigates all applicants for written consent in accordance with federal law, 18 U.S.C. § 1033. Prior to engaging in the business of insurance, anyone convicted of certain felonies must apply for and be granted written consent from the Commissioner of Insurance. Extensive background investigation by the Division of Insurance Fraud aids the decision-making process.

**ANTI-FRAUD PLAN FILINGS**

In January 2011, insurance companies and health maintenance organizations began filing anti-fraud plans as required by La. R.S. 22:572.1. Each admitted insurer, other than a “small company” as defined in La. R.S. 22:46, and health maintenance organization must file its anti-fraud plan for approval between January 1 and April 1 of each year. The initial anti-fraud plan filing in 2011 did not require data submission; however, supplemental annual filings are required each year with insurers and health maintenance organizations reporting two data elements:

- » The number of Louisiana claims processed during the previous year.
- » The number of claims the company referred to LDI as suspicious.

**DIVISION OF INSURANCE FRAUD**  
**FRAUD AND BACKGROUND INVESTIGATIONS**

After its initial filing, the insurance company and health maintenance organization need only report material changes in the anti-fraud plan. The plan must be filed electronically through the LDI Industry Access Portal, Anti-Fraud Plans Module, and must cover all eight objectives established by statute. The plan submitter can assume substantial compliance unless he receives a written rejection notice from LDI within 45 days after filing.

**SIGNIFICANT ANTI-FRAUD LEGISLATION PASSED IN 2014**

In 2015, the Legislature in Act 162 added to La. R.S. 22:1921 and 1922 to require an individual who intends to succeed to a position of director, officer or employee, or who exercises control of an entity as defined in La. R.S. 22:691.2(3) to undergo an investigation and criminal background check. The LDI is authorized to require of applicants the fingerprints and fees to perform state and national criminal record checks with the Louisiana Bureau of Criminal Identification and Information and the Federal Bureau of Investigation.

# **LOUISIANA AUTOMOBILE THEFT AND INSURANCE FRAUD PREVENTION AUTHORITY**

## **LEGISLATIVE BACKGROUND**

La. R.S. 22:2131 et seq. establishes the Louisiana Automobile Theft and Insurance Fraud Prevention Authority. La. R.S. 22:2134 establishes an Automobile Theft and Insurance Fraud Prevention Authority Fund within the Authority. This specially-created fund is the mechanism used to collect and disburse funds for the purpose of reducing motor vehicle theft and insurance fraud.

The Louisiana Automobile Theft and Insurance Fraud Prevention Authority is governed by an 11-member board of directors, consisting of the following:

- » The Commissioner of Insurance or his designee.
- » The State Treasurer or his designee.
- » A representative of the Louisiana State Police Insurance Fraud/Auto Theft Unit.
- » The chairman of the Senate Committee on Insurance or his designee.
- » The chairman of the House Committee on Insurance or his designee.
- » Two members appointed by the Attorney General to represent law enforcement officials in this state.
- » Two members representing motor vehicle insurers doing business in this state.
- » Two members representing purchasers of motor vehicle insurance.

## **PURPOSE**

The Louisiana Automobile Theft and Insurance Fraud Prevention Authority is a public agency whose purpose is to combat motor vehicle theft, including fraud by theft and other criminal acts.

In carrying out its purpose, the Louisiana Automobile Theft and Insurance Fraud Prevention Authority may:

- » Solicit and accept gifts, grants, donations, loans and other assistance from any person or entity, private or public.
- » Establish programs in conjunction with other state agencies, local governing authorities and law enforcement agencies for motor vehicle theft and insurance fraud prevention, detection and enforcement.
- » Make grants to state agencies, local governing authorities and law enforcement agencies for motor vehicle theft and insurance fraud prevention, detection and enforcement.
- » Enter into cooperative endeavors with any public or private association, corporation or individual with similar obligations and purpose as long as all expenditures are for a public purpose and create a public benefit proportionate to the cost.

## **DIVISION OF INSURANCE FRAUD**

### **LOUISIANA AUTOMOBILE THEFT AND INSURANCE FRAUD PREVENTION AUTHORITY**

## **INITIATIVES**

The Louisiana Automobile Theft and Insurance Fraud Prevention Authority issues grants to law enforcement agencies across the state under its bait vehicle and license plate reader programs. These grants are awarded to law enforcement agencies to promote more efficient and effective law enforcement activities in vehicle theft investigations and enforcement.

The Louisiana Automobile Theft and Insurance Fraud Prevention Authority's education initiative in Fiscal Year 2014-2015 included additional school districts as well as continued outreach into the community. This school-based program emphasizes the consequences and prevention of vehicle theft. Presentations to civic, business and professional organizations cover insurance fraud and vehicle theft prevention.

During Fiscal Year 2014-2015, the Louisiana Automobile Theft and Insurance Fraud Prevention Authority conducted a statewide public awareness campaign.

During this reporting period, the Louisiana Automobile Theft and Insurance Fraud Prevention Authority continued its collaborative efforts with the National Insurance Crime Bureau and law enforcement authorities to combat insurance fraud and auto theft through the following initiatives.

### **VEHICLE INVESTIGATION PREVENTION ENFORCEMENT RESPONSE PROGRAM**

The Louisiana Automobile Theft and Insurance Fraud Prevention Authority began supporting local law enforcement agencies in 2006 when it introduced the Vehicle Investigation Prevention Enforcement Response, or VIPER, a statewide bait vehicle program implemented through a Cooperative Endeavor Agreement with the National Insurance Crime Bureau. Under the Program, vehicles donated by insurance companies and equipped with systems funded by the Louisiana Automobile Theft and Insurance Fraud Prevention Authority are granted to law enforcement agencies through an application process approved by the Louisiana Automobile Theft and Insurance Fraud Prevention Authority Board of Directors. During this reporting period, the bait vehicle program was operational in Baton Rouge, Calcasieu, New Orleans, Ouachita and with the Louisiana State Police. Since the Program's inception, approximately 349 arrests have been made. During Fiscal Year 2014-2015, bait vehicles were deployed a total of 20,872 hours, resulting in 35 activations and 109 adult arrests. There were no expenditures for the Vehicle Investigation Prevention Enforcement Response Program this Fiscal Year.

### **LICENSE PLATE RECOGNITION PROGRAM**

The License Plate Recognition program is implemented through a Cooperative Endeavor Agreement with the National Insurance Crime Bureau. Under the License Plate Recognition Program, grant awards of license plate recognition systems are made to Louisiana law enforcement agencies based on specific criteria, including to cities with populations of 50,000 or more. Grantees are selected by application and ranked according to this criteria.

## DIVISION OF INSURANCE FRAUD

### LOUISIANA AUTOMOBILE THEFT AND INSURANCE FRAUD PREVENTION AUTHORITY

During Fiscal Year 2014-2015, license plate readers were operational in Baton Rouge, New Orleans, Calcasieu, Lake Charles, Kenner, Lafayette, Causeway Bridge and with the Louisiana State Police. The use of license plate readers in these locations resulted in 2,732,874 reads, 124 arrests, the recovery of 104 stolen vehicles and 37 stolen license plates valued at \$846,246. Expenditures for the License Plate Recognition Program were \$43,851.

## EDUCATION AND OUTREACH

The Louisiana Automobile Theft and Insurance Fraud Prevention Authority presents an educational program to middle and high school students and members of civic, business and professional organizations. The Program educates them about the consequences of auto theft and insurance fraud and offers them tips to avoid being victims of vehicle theft and insurance fraud. The Program is offered at no cost to school districts, schools or the requesting organizations.

This fiscal year, the educational curriculum was presented to 6,425 students in East Baton Rouge and Livingston Parishes. The vehicle theft and insurance fraud prevention presentations were made to 3,042 individuals in various civic, business and professional organizations in Orleans, East Baton Rouge, Jefferson, St. Landry, Livingston, Ascension, Tangipahoa, Acadia and St. James Parishes.

**TABLE 39 FRAUD PREVENTION ACTIVITIES  
THREE-YEAR HISTORY**

	<i>Fiscal Year 2014-2015</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>
<b>VIPER (Bait Vehicle) Program</b>			
Hours Deployed	20,872	11,359	12,946
Activations	35	26	34
Adult Arrests	109	40	40
Expenditures	\$6,394	\$0	\$1,000
<b>License Plate Recognition Program</b>			
Reads	2,732,874	1,711,138	1,746,535
Stolen Vehicles Recovered	104	87	131
Stolen License Plates Recovered	37	41	53
Arrests	124	80	71
Value of Recoveries	\$846,246	\$552,887	\$539,850
Expenditures	\$43,851	\$17,374	\$49,933
<b>Education Program</b>			
Middle School & High School Students	6,425	1,232	1,762
Civic Organization Attendees	3,042	1,605	738
Expo, Fair and Conference Attendees	8,634	8,940	10,925
<b>TOTAL ATTENDEES</b>	<b>18,101</b>	<b>11,777</b>	<b>13,425</b>

## **DIVISION OF INSURANCE FRAUD**

### **LOUISIANA AUTOMOBILE THEFT AND INSURANCE FRAUD PREVENTION AUTHORITY**

The Louisiana Automobile Theft and Insurance Fraud Prevention Authority encourages groups to request this program through its presence as an exhibitor at expos, fairs and conferences. Through these events during Fiscal Year 2014-2015, Louisiana Automobile Theft and Insurance Fraud Prevention Authority reached approximately 8,600 people.

Since the inception of this program, outreach on vehicle theft and prevention, and insurance fraud prevention has been delivered to nearly 55,000 individuals.

## **PUBLIC AWARENESS CAMPAIGN**

La. R.S. 40:1428 allocates \$187,000.00 to be deposited in the Louisiana Automobile Theft and Insurance Fraud Prevention Authority Fund established by La. R.S. 22:2134. These funds were used for educational and public awareness campaigns designed to inform the citizens of the state about methods of preventing motor vehicle theft and combating insurance fraud through the use of billboard and radio advertisements as well as through the distribution of informational brochures. The purposes of this campaign were to stimulate public awareness about the economic, social and public safety consequences of vehicle theft, encourage public participation in theft prevention and enforcement efforts, and encourage the use of fraud hotlines to report suspected vehicle theft and suspicious insurance fraud activity.

## **MEETINGS**

The Louisiana Automobile Theft and Insurance Fraud Prevention Authority's Board of Directors conducted four public meetings during this fiscal year: October 1, 2014, December 10, 2014, January 13, 2015 and April 2, 2015. All meetings were open to the public.

## **COLLECTIONS**

Pursuant to La. R.S. 22:2134, the Louisiana Automobile Theft and Insurance Fraud Prevention Authority Fund was established as a depository for all revenues received. All monies in this fund are used only to enhance fraud and vehicle theft prevention efforts as determined by the Board of Directors.

All revenue derived from solicitations, grants or donations from any person or entity, private or public, or federal, state or local government is deposited upon receipt into the Louisiana Automobile Theft and Insurance Fraud Prevention Authority Fund. All interest earned on money from the fund through investments by the state treasurer is credited to the fund.

At the beginning of Fiscal Year 2014-2015, there was a statutory dedicated fund balance of \$29,087.61. Revenue collections from solicitations, grants or donations totaled \$8,000.00. In accordance with La. R.S. 40:1428, \$187,000.00 in revenue was deposited in the Louisiana Automobile Theft and Insurance Fraud Prevention Authority Fund established by La. R.S. 22:2134. The interest on investments totaled \$131.00. Total funds for this period were \$224,218.61.

## **OBLIGATIONS**

Expenditures during this fiscal year, from the fund totaled \$207,900.68. The ending fund balance for this period was \$16,317.93. At the beginning of the reporting period, there was a balance of \$111,969.00 under the General Cooperative Endeavor Agreement between the Louisiana Automobile Theft and Insurance Fraud Prevention Authority and the National Insurance Crime Bureau.

All administrative expenses of the Louisiana Automobile Theft and Insurance Fraud Prevention Authority are funded with self-generated funds of the LDI.

## **HELPFUL LINK**

For more information about the Louisiana Automobile Theft and Insurance Fraud Prevention Authority, <http://www.ldi.la.gov/consumers/insurance-fraud/latifpa>.



# Complaint Report

# COMPLAINT REPORT

## LA. R.S. 22:1972 REPORT BY THE COMMISSIONER

*The commissioner of insurance shall annually submit a report to the Senate and House of Representatives committees on insurance relative to complaints received and actions taken pursuant to the provisions of this Part. Such report shall contain information relative to the number of complaints received, and the disposition of same, the amount collected in penalties, the cost of all related proceedings, and such other information as the commissioner deems pertinent or the insurance committees shall request.*

The Louisiana Department of Insurance receives complaints from policyholders, insurance claimants and providers of services covered by insurance. Complaints may be filed on paper or online and are investigated by insurance specialists. Those who submit a complaint can call to check the status of the complaint or can check the status online.

In Fiscal Year 2014-2015, the LDI received 3,412 complaints. The numbers of complaints received by each Division during Fiscal Year 2014-2015 were: 544 in the Division of Life, Annuity and Long-Term Care; 1,154 in Health; and 1,714 in Property and Casualty.

There were 3,435 complaint investigations concluded during Fiscal Year 2014-2015. Overall, the LDI completed complaint investigations in an average of 41.8 days.

The top five types of coverage for which the LDI received complaint investigations through each of the specialized compliance divisions are reported in Table 40, and the top five reasons for complaints that were filed are reported in Table 41. Complaints of an automobile (personal) nature had the greatest volume, 795, followed by accident and health individual major medical complaints at 508, and homeowners complaints at 441. Of the top 15 complaint reasons cited by the LDI compliance divisions, eight are claim related.

## COMPLAINT REPORT

**TOP FIVE COVERAGE TYPES AMONG CLOSED COMPLAINTS** TABLE 40

<i>Life, Annuity and Long-Term Care</i>		<i>Health</i>		<i>Property and Casualty</i>	
Life/Individual	412	Accident and Health/Individual Major Medical	508	Auto/Personal	795
Life/Group	24	Accident and Health/Group Major Medical	198	Homeowners	441
Long Term Care	23	Accident and Health/ERISA/Self-Funded	147	Auto/Commercial	55
Annuity, Fixed	19	Dental	74	Misc./Other	55
Annuity, Variable	7	Disability	53	Misc./Fid-Sur./Bond	46

**TOP FIVE REASONS FOR COMPLAINT BEING FILED** TABLE 41

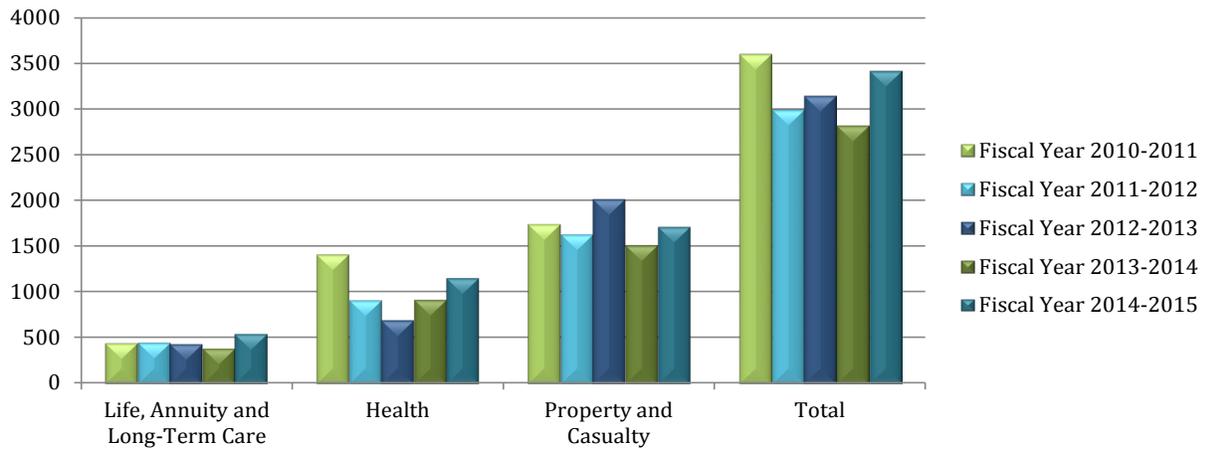
<i>Life, Annuity and Long-Term Care</i>		<i>Health</i>		<i>Property and Casualty</i>	
Marketing/Misappropriation of Funds	93	Claim Handling/Denial of Claim	365	Claim Handling/Denial of Claim	313
Policy Service/Other	86	Claim Handling/Claim Delay	247	Claim Handling/Claim Delay	276
Claim Handling/Claim Delay	48	Claim Handling/Other	156	Claim Handling/Unsatisfactory	237
Policy Service/Delays/No Response	42	Underwriting/Cancel/Non-Renewal	82	Underwriting/Cancellation	205
Policy Service/Refunds	35	Claim Handling/Unsatisfactory Settlement/Offer	56	Underwriting/Premium & Rating	153

The LDI's compliance divisions, including the Office of Consumer Advocacy, assisted complainants in recovering \$4.7 million in claims payments, additional claims payments or refunds by insurers. During Fiscal Year 2014-2015, the Division of Life, Annuity and Long-Term Care in the Office of Licensing and Compliance assisted in recovering \$2,853,699; the Office of Health Insurance, \$517,056 and the Office of Property and Casualty, \$1,292,770.

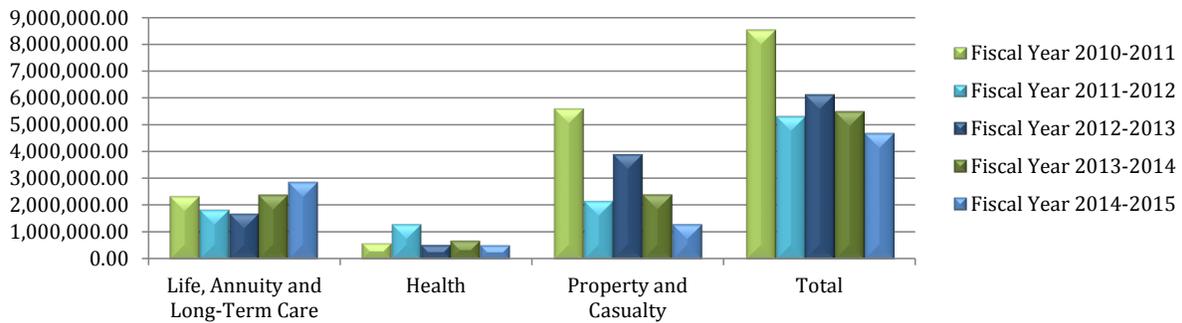
The five-year trends in numbers of complaints received and dollars recovered for consumers are shown in Charts 4 and 5.

## COMPLAINT REPORT

**CHART 4 NUMBERS OF COMPLAINTS RECEIVED BY COMPLIANCE DIVISIONS AND TOTAL FOR LDI FIVE-YEAR HISTORY**



**CHART 5 DOLLARS RECOVERED BY COMPLIANCE DIVISIONS AND TOTAL FOR LDI FIVE-YEAR HISTORY**



## COMPLAINT REPORT

Of the complaint files closed during the fiscal year, 20.5 percent were closed in a manner considered favorable to the complainant; 27.4 percent in a manner favorable to the regulated entity complained against, and 52.1 percent were concluded neutrally.

This breakdown is based on the disposition codes assigned to each file as it is closed. For example, disposition codes favorable to the complainant are used when the company position is overturned, when additional recovery is acquired by the complainant, when a premium or rating problem is resolved in the complainant's favor or when other similar actions occur. If a file is closed because coverage is not provided for the complainant's loss under the policyholder's contract, the company's or producer's position is upheld, or it is found that a policy was not in force at the time of the loss, the disposition is recorded as favorable to the regulated entity. Neutral closures are reserved for withdrawn complaints, insufficient information provided, questions of fact or law, the filing of a lawsuit, or similar dispositions.

It is important to note that disposition codes used by the LDI are uniform with those used by other states, as the National Association of Insurance Commissioners also maintains and publishes complaint data of participating states. The classifications of the codes "Favorable to Complainant," "Favorable to the Regulated Entity" and "Neutral" were developed by the LDI under the guidance of the Deputy Commissioner of Consumer Advocacy with input from the Life, Annuity and Long-Term Care; Health; and Property and Casualty compliance divisions.

Table 42 provides the data for the disposition on closed complaint files by each office and totals for the entire LDI.

**COMPLAINT DISPOSITIONS BY ALL DIVISIONS AND TOTAL FOR LDI** TABLE 42

<i>Category</i>	<i>Life, Annuity and Long-Term Care</i>	<i>Health</i>	<i>Property and Casualty</i>	<i>Total for LDI</i>	<i>Total Percentage</i>
Favorable to Complainant	76	351	311	738	20.5%
Favorable to Regulated Entity	101	282	602	985	27.4%
Neutral	380	518	980	1,878	52.1%
<b>TOTALS</b>	<b>557</b>	<b>1,151</b>	<b>1,893</b>	<b>3,601</b>	<b>100.0%</b>

Charts 6-9 give a visual account of how the complaints resolved, whether favorable to the complainant, favorable to the regulated entity complained against or neutral.

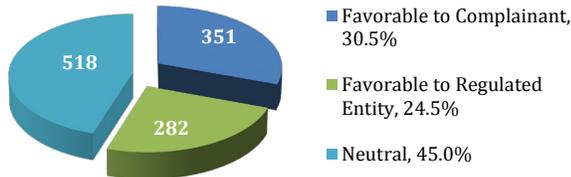
Finally, La. R.S. 22:1972 requires the reporting of penalties and costs of proceedings against regulated entities which were brought under the Unfair Trade Practices Act. The Division of Legal Services reports that \$42,000 in fines were imposed on regulated entities under the Unfair Trade Practices Act during Fiscal Year 2014-2015.

## COMPLAINT REPORT

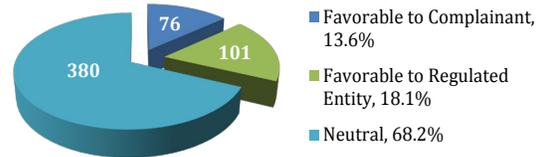
### CHARTS 6-9 CLOSED COMPLAINT DISPOSITIONS

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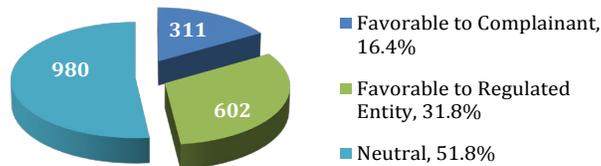
#### Health



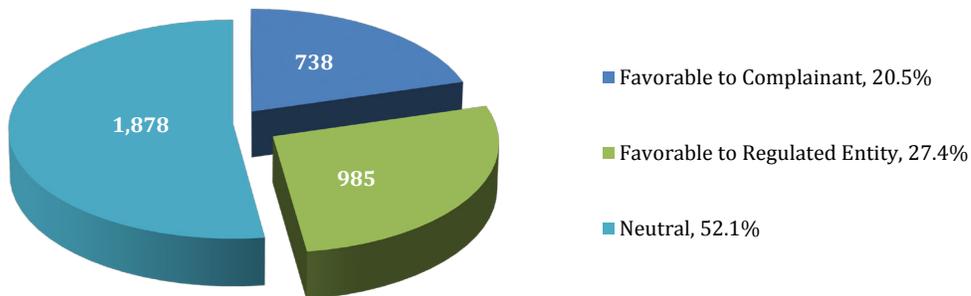
#### Life, Annuity and Long-Term Care



#### Property and Casualty



#### Total LDI



## HELPFUL LINKS

Complaint Filing, <https://www.ldi.la.gov/onlineservices/ConsumerComplaintForm/Complaints/Welcome.aspx>. Identifies the types of complaints the LDI can assist with and what documents are needed for a specialist to investigate a formal complaint. A series of screens leads the complainant through the process, including uploading supporting documentation. Complainants can also track the status of their complaint online.

Contact information for the Office of Consumer Advocacy, <http://www.ldi.la.gov/consumers/resources-publications/consumer-advocacy>. Through audits of randomly selected closed complaint files, the Office of Consumer Advocacy provides oversight of the complaint handling processes throughout the LDI.



# Appendices

<b>APPENDIX A:</b>	<b>INSURANCE TERMS</b>
<b>APPENDIX B:</b>	<b>PROPERTY AND CASUALTY INSURANCE</b>
<b>APPENDIX C:</b>	<b>LIFE, ACCIDENT AND HEALTH INSURANCE</b>
<b>APPENDIX D:</b>	<b>AGGREGATE HEALTH PREMIUM AND ENROLLMENT</b>
<b>APPENDIX E:</b>	<b>HEALTH MAINTENANCE ORGANIZATIONS</b>
<b>APPENDIX F:</b>	<b>TITLE INSURANCE</b>
<b>APPENDIX G:</b>	<b>FRATERNAL INSURANCE</b>
<b>APPENDIX H:</b>	<b>GROUP SELF-INSURANCE FUNDS</b>
<b>APPENDIX I:</b>	<b>REVENUE REPORT AS REQUIRED BY LA. R.S. 49:308.6(C)</b>

# APPENDIX A

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## INSURANCE TERMS

The tables in the subsequent appendices show gross direct premium writings in Louisiana, on a **calendar year basis**, for all insurers segregated by line of business. These categories do not provide information about specific insurance coverages or classes of insureds. The data contained hereafter may conflict with other areas of the Annual Report due to the treatment of some premiums as non-taxable. Following is a brief description of terms used throughout the appendices.

### SOURCE

*Barron's Business Guides: Dictionary of Insurance Terms, Fourth Edition; Harvey W. Rubin; 2000*

### GENERAL TERMS

**Direct:** premiums collected by the insurer from policyholders, before reinsurance premiums are deducted. Insurers share some direct premiums and the risk involved with their reinsurers.

**Domestic:** insurance company incorporated according to the laws of the state in which a risk is located and the policy issued. The insurance company is domiciled in that state.

**Earned Premium:** portion of a premium paid by an insured that has been allocated to the insurance company's loss experience, expenses and profit year to date.

**Foreign:** insurance company whose domicile is in a state other than the one in which the company is writing business in Louisiana.

**Loss Ratio:** relationship of incurred losses plus loss adjustment expense to earned premiums.

**Losses Incurred:** important quantitative measure for an insurance company indicating the percentage of each premium dollar that is going to pay for losses. Based on losses incurred, appropriate reserves are established. Changes in incurred losses over several policy periods indicate the trend in the loss picture and the accuracy of the basic premium charged to reflect expected losses.

**Market Share:** the ratio of direct premiums written by a company to the total direct premiums written by all companies writing that line of business.

**Written Premium:** total premiums generated from all policies written by an insurance company within a given period of time.

## APPENDIX A – INSURANCE TERMS

### LINES OF BUSINESS

**Aggregate Write-Ins:** coverages not generally described on the previous page (e.g., Involuntary Unemployment Insurance, Automobile Warranty, etc.).

**Aircraft Hull Insurance:** coverage on an all risks basis whether the airplane is on the ground or in the air.

**Aircraft Liability Insurance:** coverage for the insured in the event that the insured's negligent acts and/or omissions result in losses in connection with the use, ownership, or maintenance of aircraft. Liability coverage can be provided for bodily injury and/or property damage to passengers and also to individuals who are not passengers.

**Allied Lines:** property insurance closely associated with fire insurance and usually purchased in conjunction with a Standard Fire Policy. Allied lines include data processing insurance, demolition insurance, earthquake insurance, increased cost of construction clause, radioactive contamination insurance, sprinkler leakage insurance, standing timber insurance, vandalism and malicious mischief insurance, water damage insurance.

**Annuity:** contract sold by insurance companies that pays a monthly (or quarterly, semiannual or annual) income benefit for the life of a person (the annuitant), for the lives of two or more persons, or for a specified period of time. The annuitant can never outlive the income from the annuity.

**Auto Liability Insurance:** coverage if an insured is legally liable for bodily injury or property damage caused by an automobile.

**Automobile Physical Damage Insurance:** coverage in the event an insured's automobile is damaged, destroyed, or lost through fire, theft, vandalism, malicious mischief, collision or windstorm. There are two kinds of property damage coverage – collision insurance and comprehensive insurance.

**Boiler and Machinery Insurance:** covers losses resulting from the malfunction of boilers and machinery. Most property insurance policies exclude these losses, which is why a separate boiler and machinery policy or a commercial package policy is needed. The insurance covers business property, other property involved, and legal fees, if any.

**Burglary Insurance:** coverage against loss as the result of a burglary.

**Commercial Package Policy:** insurance policy that is commercial lines in orientation and is composed of two or more of the following coverages: Commercial Property, Business Crime, Business Automobile, Boiler and Machinery, Commercial General Liability, Inland Marine Insurance and Farmowners and Ranchowners Insurance (Commercial Multiple Peril Policy).

**Credit Insurance:** commercial coverage against losses resulting from the failure of business debtors to pay their obligation to the insured, usually due to insolvency. The coverage is geared to manufacturers, wholesalers and service providers who may be dependent on a few accounts and therefore could lose significant income in the event of an insolvency.

## APPENDIX A – INSURANCE TERMS

### LINES OF BUSINESS

**Credit Health Insurance:** coverage issued to a creditor on the life of a debtor so that if the debtor becomes disabled, the insurance policy pays the balance of the debt to the creditor.

**Credit Life Insurance:** insurance issued to a creditor (lender) to cover the life of a debtor (borrower) for an outstanding loan. If the debtor dies prior to repayment of the debt, the policy will pay off the balance of the amount outstanding.

**Earthquake Insurance:** coverage that can be purchased as an endorsement to many property policies such as the standard fire policy or as a separate policy. Coverage is for direct damage resulting from earthquake or volcanic eruption.

**Farmowners Comprehensive Personal Liability Insurance:** provides the same coverage as a comprehensive personal liability insurance policy, plus coverage to exposures that are peculiar to farms, such as farm business operations, farm employees engaged in farm business activities, and liability arising out of selling farm products.

**Fidelity Bond:** coverage that guarantees that the insurance company will pay the insured business or individual for money or other property lost because of dishonest acts of its bonded employees, either named or by positions. The bond covers all dishonest acts, such as larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, or willful misapplication, whether employees act alone or as a team.

**Financial Guaranty:** covers losses from specific financial transactions and guarantees that investors in debt instruments, such as municipal bonds, receive timely payment of principal and interest if there is a default. Raises the credit rating of debt to which the guarantee is attached. Investment bankers who see asset-backed securities, securities backed by loan portfolios, use this insurance to enhance marketability.

**Fire:** intense combustion resulting in a flame or glow. In order for the fire peril to be covered under property insurance, the fire must be a hostile fire, not a friendly fire.

**Fraternal Life Insurance:** group coverage for members of a fraternal association, usually on a nonprofit basis.

**Group Insurance:** single policy under which individuals in a natural group (such as employees of a business firm) and their dependents are covered.

**Health Maintenance Organization:** prepaid group health insurance plan that entitles members to services of participating physicians, hospitals and clinics.

**Homeowners Insurance Policy:** package policy that combines (1) coverage against the insured's property being destroyed or damaged by various perils, and (2) coverage for liability exposure of the insured.

**Inland Marine:** transit over land.

## APPENDIX A – INSURANCE TERMS

### LINES OF BUSINESS

**Inland Marine Insurance:** business risks coverage for (1) property damage or destruction of an insured's property and (2) liability exposure of an insured for damage or destruction of someone else's property under his or her care, custody or control. The insured (shipper) needs this insurance because the carrier (who can also be the insured and purchase inland marine insurance) may be found not at fault for damage to a property; or the carrier may not have any insurance or adequate insurance.

**Life Insurance:** protection against the death of an individual in the form of payment to a beneficiary – usually a family member, business or institution.

**Malpractice Insurance:** professional liability coverage for physicians, lawyers and other specialists against suits alleging negligence or errors and omissions that have harmed clients.

**Mortgage Insurance:** life insurance that pays the balance of a mortgage if the mortgagor (insured) dies.

**Marine Insurance:** coverage for goods in transit and the vehicles of transportation on waterways, land and air (Ocean Marine Insurance).

**Other Insurance:** presence of other contract(s) covering the same conditions. When more than one policy covers the exposure, each policy will pay an equal share of the loss.

**Other Liability Coverage:** protects the insured against legal liability resulting from negligence, carelessness or a failure to act causing property damage or personal injury to others. Can include General Liability; Umbrella Liability; Professional Liability; Contractor, Construction and Landlord Liability; and Environmental Liability.

**Product Liability Coverage:** protects manufacturers, merchants and distributors exposure to lawsuits by people who have sustained bodily injury or property damage through the use of the product.

**Self-Insurance Plan:** the concept of assuming a financial risk oneself, instead of paying an insurance company to take it on. Every policyholder is a self-insurer in terms of paying a deductible and co-payments. Large firms often self-insure frequent, small losses such as damage to their fleet of vehicles or minor workplace injuries. Also refers to employers who assume all or part of the responsibility for paying the health insurance claims of their employees.

**Title Insurance:** coverage for losses if a land title is not free and clear of defects that were unknown when the title insurance was written. Title insurance protects a purchaser if there is a defect in the title, such as a lien against the property, that is not discovered at the time of purchase.

**Workers' Compensation Insurance:** coverage providing four types of benefits (medical care, death, disability, rehabilitation) for employee job-related injuries or diseases as a matter of right (without regard to fault).

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# **APPENDIX B**

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## **PROPERTY AND CASUALTY INSURANCE**

## APPENDIX B – PROPERTY AND CASUALTY INSURANCE

### PROPERTY AND CASUALTY INSURERS EXHIBIT OF PREMIUMS AND LOSSES BUSINESS IN LOUISIANA AS OF DECEMBER 31, 2014

Line #	Line of Business	Direct Premium Written	Direct Premium Earned	Dividends Paid on Direct Business	Direct Unearned Premium Reserve	Direct Loss Paid (Deducting Salvage)	Direct Losses Incurred
01	Fire	347,850,995	358,534,921	219,113	149,845,786	152,268,832	67,198,562
02.1	Allied Lines	480,252,454	472,446,324	418,134	212,945,964	135,045,355	77,604,306
02.2	Multiple Peril Crop	79,396,299	81,997,284	-	(986,540)	29,122,285	32,651,151
02.3	Federal Flood	264,912,601	262,257,451	-	137,056,125	17,440,617	13,091,604
02.4	Private Crop	1,250,967	1,250,967	-	-	2,118,428	2,029,065
03	Farmowners Multiple Peril	13,270,301	12,966,872	-	6,279,293	5,589,083	5,713,266
04	Homeowners Multiple Peril	1,805,758,136	1,781,764,525	5,738,089	916,261,047	554,240,975	551,932,140
05.1	Commercial Multiple Peril (Non-Liability)	386,110,433	381,368,529	66,705	172,871,705	137,268,953	181,771,420
05.2	Commercial Multiple Peril (Liability)	150,774,796	146,583,231	22,749	67,480,338	60,667,579	57,327,177
06	Mortgage Guaranty	57,981,927	55,967,188	-	15,876,425	36,886,720	10,931,456
08	Ocean Marine	211,189,619	221,007,071	8,428	90,552,200	94,637,429	74,418,703
09	Inland Marine	405,402,658	387,322,347	203,306	146,453,655	142,853,422	144,597,282
10	Financial Guaranty	2,101,708	14,873,849	-	85,065,373	448,956	(377,330)
11	Medical Professional Liability	101,395,620	102,102,964	2,750,390	40,894,077	20,565,650	12,376,460
12	Earthquake	6,487,278	7,171,935	9,687	3,102,483	-	(116,027)
13	Group Accident and Health	41,576,498	40,437,589	-	9,775,743	28,057,240	25,551,500
14	Credit Accident and Health	1,639,704	1,487,156	-	1,802,758	315,798	315,733
15.1	Collectively Renewable Accident and Health	1,436	1,437	-	200	-	24
15.2	Non-Cancelable Accident and Health	-	5,668	-	33,887	-	-
15.3	Guaranteed Renewable Accident and Health	12,367,873	8,089,398	-	57,604,299	9,247,058	10,825,789
15.4	Non-Renewable Accident and Health	3,796,873	3,763,031	400	1,829,659	2,360,002	2,227,608
15.5	Other Accident Only	64,322	55,119	-	35,071	18,335	(5,776)
15.6	Medicare Title XVIII	-	-	-	-	-	-
15.7	All Other Accident and Health	1,999,694	1,958,579	-	374,064	335,399	707,833
15.8	Federal Employees Health Benefits Program	-	-	-	-	-	-
16	Workers' Compensation	868,836,066	851,663,614	70,328,983	289,964,976	424,398,212	444,291,058
17.1	Other Liability-Occurrence	671,704,624	641,625,518	442,812	318,936,928	374,134,317	408,609,224
17.2	Other Liability-Claims-Made	205,072,946	199,767,088	(3,952)	103,363,692	84,722,914	70,171,380
17.3	Excess Workers' Compensation	53,502,380	52,201,304	-	13,363,382	18,653,132	41,691,155
18	Products Liability	48,458,203	46,221,485	1,092	21,040,062	21,348,693	(26,723,760)
19.1	Private Passenger Auto No-Fault	-	-	-	-	344,647	210,091
19.2	Private Passenger Auto Liability	2,316,772,409	2,286,351,582	6,147,978	636,119,620	1,565,284,343	1,670,567,825
19.3	Commercial Auto No-Fault	11,767	51,033	-	3,576	97,751	253,200
19.4	Commercial Auto Liability	512,850,619	495,181,566	23,466	225,579,637	387,945,685	439,053,407
21.1	Private Passenger Auto Physical Damage	1,385,826,010	1,362,470,752	3,898,670	391,880,168	804,091,228	812,524,548
21.2	Commercial Auto Physical Damage	104,675,607	103,517,268	5,899	41,333,803	54,273,580	52,120,744
22	Aircraft (All Perils)	50,689,921	53,158,913	-	28,351,332	31,021,861	35,693,514
23	Fidelity	12,959,940	12,825,093	54	8,390,063	5,992,118	4,512,631
24	Surety	107,255,777	109,654,186	-	51,406,948	28,453,648	28,545,090
26	Burglary and Theft	3,799,556	3,657,170	10	1,428,165	320,171	701,555
27	Boiler and Machinery	27,588,460	27,225,388	631	11,844,167	19,473,523	89,556,692
28	Credit	25,865,874	25,925,837	-	18,056,998	5,310,457	4,745,639
30	Warranty	8,197,565	16,345,091	-	15,548,860	4,708,989	4,461,432
34	Aggregate Write-Ins, Other Lines of Business	17,698,632	18,820,222	-	22,341,658	12,847,153	(35,709,674)
35	<b>TOTALS</b>	<b>10,797,348,548</b>	<b>10,650,076,528</b>	<b>90,282,644</b>	<b>4,314,107,638</b>	<b>5,272,910,532</b>	<b>5,316,047,669</b>

DATA SOURCE: 2014 Property and Casualty Annual Statement, Exhibit of Premiums and Losses (State Page) for all companies writing business in Louisiana.

CAUTION: This page is unaudited and may contain inadvertent errors.

## APPENDIX B – PROPERTY AND CASUALTY INSURANCE

### PROPERTY AND CASUALTY INSURERS EXHIBIT OF PREMIUMS AND LOSSES BUSINESS IN LOUISIANA AS OF DECEMBER 31, 2014

Line #	Line of Business	Direct Losses Unpaid	Direct Defence and Cost Containment Expense Paid	Direct Defence and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
01	Fire	78,651,953	4,036,999	3,060,599	4,527,212	44,259,130	11,391,691
02.1	Allied Lines	112,908,184	5,377,371	4,091,738	8,149,327	57,608,037	10,243,993
02.2	Multiple Peril Crop	18,705,110	-	(27,803)	29,430	2,599,589	65,977
02.3	Federal Flood	8,126,098	1,650,504	1,642,680	38,847	45,731,541	9,715,326
02.4	Private Crop	145,197	1,245	1,330	220	164,807	1,255
03	Farmowners Multiple Peril	2,885,362	305,161	315,100	674,869	2,182,526	603,589
04	Homeowners Multiple Peril	267,701,024	20,850,376	22,762,990	38,165,365	234,671,328	76,537,894
05.1	Commercial Multiple Peril (Non-Liability)	163,397,474	5,261,204	5,805,923	17,661,823	58,919,077	15,965,573
05.2	Commercial Multiple Peril (Liability)	222,732,534	27,369,096	18,228,319	84,390,274	28,144,217	6,216,902
06	Mortgage Guaranty	83,068,684	338,600	132,971	295,472	-	2,419,081
08	Ocean Marine	309,385,712	19,521,783	15,418,414	34,056,413	32,700,003	6,193,445
09	Inland Marine	69,994,404	3,092,977	2,624,096	4,583,659	74,069,166	13,622,446
10	Financial Guaranty	5,929,130	(2,911)	(70,509)	-	-	(16,215)
11	Medical Professional Liability	198,699,551	26,935,746	20,143,669	105,843,591	7,627,203	2,904,040
12	Earthquake	484,939	(489)	(10,687)	12,466	684,438	149,731
13	Group Accident and Health	19,947,615	215,963	368,547	374,687	3,550,994	1,375,263
14	Credit Accident and Health	426,658	-	179	4,858	353,718	81,132
15.1	Collectively Renewable Accident and Health	358	-	-	20	14	1
15.2	Non-Cancelable Accident and Health	-	-	-	-	-	32
15.3	Guaranteed Renewable Accident and Health	22,811,840	5,864	16,309	175,242	1,106,364	343,424
15.4	Non-Renewable Accident and Health	2,389,192	2,640	518	38,222	492,094	111,675
15.5	Other Accident Only	150,614	-	(5,442)	842	23,789	2,325
15.6	Medicare Title XVIII	-	-	-	-	-	-
15.7	All Other Accident and Health	829,648	300	506	15,079	435,561	75,000
15.8	Federal Employees Health Benefits Program	-	-	-	-	-	32
16	Workers' Compensation	2,195,777,134	61,998,436	67,784,715	214,931,788	76,639,763	67,510,751
17.1	Other Liability-Occurrence	1,434,241,066	95,456,259	88,075,471	350,526,064	101,587,914	14,076,209
17.2	Other Liability-Claims-Made	344,293,102	28,632,907	31,263,571	87,833,432	30,516,805	5,070,121
17.3	Excess Workers' Compensation	245,739,329	1,652,048	364,773	11,225,414	7,230,160	2,134,587
18	Products Liability	220,120,444	18,614,076	5,585,199	83,072,791	7,809,103	938,336
19.1	Private Passenger Auto No-Fault	1,281,596	31,486	17,960	100,933	63,517	(1,615)
19.2	Private Passenger Auto Liability	1,435,493,134	95,172,233	105,276,048	231,025,847	199,616,968	68,135,567
19.3	Commercial Auto No-Fault	356,452	9,725	38,498	69,212	1,712	1,182
19.4	Commercial Auto Liability	672,940,960	54,620,197	65,698,530	92,901,149	72,969,410	16,442,849
21.1	Private Passenger Auto Physical Damage	60,409,914	5,241,700	5,252,568	6,071,808	119,192,525	42,077,971
21.2	Commercial Auto Physical Damage	14,083,773	1,914,314	1,537,685	2,951,101	14,941,957	3,846,883
22	Aircraft (All Perils)	58,131,354	3,225,968	2,329,478	6,790,172	8,678,514	2,054,862
23	Fidelity	9,845,658	383,030	384,778	2,047,311	1,813,336	491,897
24	Surety	25,827,469	4,713,195	4,592,109	127,595	24,775,311	4,492,994
26	Burglary and Theft	1,444,071	64,978	212,752	519,539	775,184	133,476
27	Boiler and Machinery	74,578,317	323,631	631,317	612,782	1,903,722	518,240
28	Credit	2,251,686	263,242	225,935	57,991	11,277,204	878,873
30	Warranty	709,049	31,733	34,094	5,422	120,618	403,495
34	Aggregate Write-Ins, Other Lines of Business	80,252,401	74,673	(4,486,794)	135,815	1,201,084	1,237,046
35	<b>TOTALS</b>	<b>8,467,148,190</b>	<b>487,386,2360</b>	<b>469,318,1354</b>	<b>1,390,044,084</b>	<b>1,276,438,403</b>	<b>388,447,336</b>

DATA SOURCE: 2014 Property and Casualty Annual Statement, Exhibit of Premiums and Losses (State Page) for all companies writing business in Louisiana.

CAUTION: This page is unaudited and may contain inadvertent errors.

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# **APPENDIX C**

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## **LIFE, ACCIDENT AND HEALTH INSURANCE**

**APPENDIX C – LIFE, ACCIDENT AND HEALTH INSURANCE**

**LIFE INSURERS EXHIBIT OF PREMIUMS AND BENEFITS  
BUSINESS IN LOUISIANA AS OF DECEMBER 31, 2014**

<b>Life Insurance</b>					
<i>Direct Premiums and Annuity Considerations</i>	<i>Ordinary</i>	<i>Credit Life</i>	<i>Group</i>	<i>Industrial</i>	<i>Total</i>
Life Insurance	1,724,836,574	46,374,834	445,507,447	7,271,123	2,223,989,975
Annuity Considerations	2,869,284,576	-	710,820,070	-	3,580,104,646
Deposit-Type Contract Funds	30,665,952		151,873,245		182,539,196
Other Considerations	130,348,222	-	425,321,818	-	555,670,039
<b>TOTALS</b>	<b>\$4,755,135,324</b>	<b>\$46,374,834</b>	<b>\$1,733,522,580</b>	<b>\$7,271,123</b>	<b>\$6,542,303,856</b>
<b>Direct Dividends to Life Policyholders</b>					
Life Insurance					
Paid in Cash or Left on Deposit	25,564,405	-	876,236	7,280	26,447,921
Applied to Pay Renewal Premiums	23,779,061	-	845,245	5	24,624,311
Applied to Provide Paid-Up Additions or Shorten the Endowment or Premium-Paying Agent	133,372,058	-	24	529,034	133,901,117
Other	221,629	-	-	584	222,213
<b>Total Life</b>	<b>\$182,937,153</b>	<b>-</b>	<b>\$1,721,505</b>	<b>\$536,903</b>	<b>\$185,195,562</b>
<b>Direct Dividends to Annuity Holders</b>					
Annuities					
Paid in Cash or Left on Deposit	6,242,396	-	66,126	-	6,308,521
Applies to Provide Paid-Up Annuities	371,752	-	-	-	371,752
Other	7,749,195	-	1,040,814	-	8,790,009
<b>Total Annuities</b>	<b>\$14,363,343</b>	<b>-</b>	<b>\$1,106,940</b>	<b>-</b>	<b>\$15,470,282</b>
<b>GRAND TOTALS</b>	<b>\$197,300,496</b>	<b>-</b>	<b>\$2,828,445</b>	<b>\$536,903</b>	<b>\$200,665,844</b>
<b>Direct Claims and Benefits Paid</b>					
Death Benefits	901,090,184	12,095,762	366,336,563	13,597,347	1,293,119,855
Matured Endowments	3,916,220	-	63,655	851,133	4,831,007
Annuity Benefits	569,359,661	-	207,728,436	-	777,088,095
Surrender Values and Withdrawals for Life Contracts	2,489,691,262	-	1,096,820,511	2,210,264	3,588,722,041
Aggregate Write-Ins for Miscellaneous Direct Claims and Benefits Paid	7,038,038	-	566,986	-	7,605,024
All Other Benefits, Except Accident and Health	17,455,318	35,883	1,611,456	83,012	19,185,667
<b>TOTALS</b>	<b>\$3,988,550,683</b>	<b>\$12,131,645</b>	<b>\$1,673,127,607</b>	<b>\$16,741,756</b>	<b>\$5,690,551,689</b>

DATA SOURCE: 2014 Life and Health Annual Statements (State Page) for all companies writing business in Louisiana.

CAUTION: This page is unaudited and may contain inadvertent errors.

APPENDIX C – LIFE, ACCIDENT AND HEALTH INSURANCE

LIFE INSURERS EXHIBIT OF PREMIUMS AND BENEFITS  
BUSINESS IN LOUISIANA AS OF DECEMBER 31, 2014

Direct Death Benefits and Matured Endowments Incurred	Life Insurance													
	Ordinary			Credit Life			Group			Industrial			Total	
	Number	Amount		Number	Amount		Number	Amount		Number	Amount		Number	Amount
Unpaid December 31, Prior Year	8,882	124,921,251		72	1,550,946		1,851	47,189,522		3,754	2,615,524		14,559	176,277,247
Incurred During Current Year	48,346	910,588,560		3,974	11,928,661		15,705	373,399,322		19,986	14,508,226		88,011	1,310,424,770
Settled During Current Year														
By Payment in Full	47,034	907,337,957		3,770	11,337,073		15,767	369,716,672		19,169	14,065,027		85,740	1,302,456,727
By Payment on Compromised Claims	37	742,133		-	-		12	623,250		-	-		49	1,365,383
<b>Totals Paid</b>	<b>\$47,071</b>	<b>\$908,080,090</b>		<b>\$3,770</b>	<b>\$11,337,073</b>		<b>\$15,779</b>	<b>\$370,339,922</b>		<b>\$19,169</b>	<b>\$14,065,027</b>		<b>\$85,789</b>	<b>\$1,303,822,110</b>
Reduction by Compromise	(1)	1,607,969		-	58,845		13	751,450		-	-		12	2,418,264
Amount Rejected	116	4,227,647		-	-		25	954,844		-	-		141	5,182,491
<b>Total Settlements</b>	<b>\$47,186</b>	<b>\$913,915,706</b>		<b>\$3,770</b>	<b>\$11,395,918</b>		<b>\$15,817</b>	<b>\$372,046,216</b>		<b>\$19,169</b>	<b>\$14,065,027</b>		<b>\$85,942</b>	<b>\$1,311,422,865</b>
Unpaid December 31, Current Year	10,042	121,594,101		276	2,083,688		1,739	48,542,628		4,571	3,058,724		16,628	175,279,149
<b>Policy Exhibit</b>														
In Force December 31, Prior Year	2,640,158	243,311,335,663		635,746	2,766,574,520		99,473	140,547,537,307		985,253	594,851,504		4,360,630	387,220,298,994
Issued During Year	272,855	24,119,161,501		569,935	2,080,099,603		35,797	13,032,785,396		220	709,446		878,807	39,232,755,944
Other Changes to In Force (Net)	(267,365)	(17,092,083,005)		(595,925)	(2,084,323,762)		(33,104)	(10,315,132,461)		(43,202)	(28,609,589)		(939,596)	(29,520,148,819)
In Force December 31, Current Year	2,645,648	250,338,414,158		609,755	2,762,350,360		102,166	143,265,190,243		942,271	566,951,361		4,299,840	396,932,906,123

Accident and Health Insurance	Life Insurance													
	Ordinary			Credit Life			Group			Industrial			Total	
	Number	Amount		Number	Amount		Number	Amount		Number	Amount		Number	Amount
Group Policies														
Federal Employees Health Benefits Program														
Credit (Group and Individual)														
Collectively Renewable Policies														
Medicare Title XVIII														
Other Individual Policies														
Non-cancellable														
Guaranteed Renewable														
Non-renewable for Stated Reasons Only														
Other Accident Only														
All Other														
<b>Totals</b>	<b>\$553,529,730</b>	<b>\$554,745,574</b>		<b>\$4,084,441</b>	<b>\$334,274,833</b>		<b>\$350,349,189</b>	<b>\$1,331,010,240</b>		<b>\$1,358,589,267</b>				
<b>TOTALS</b>	<b>\$1,932,984,769</b>	<b>\$4,503,394</b>		<b>\$4,503,394</b>	<b>\$4,503,394</b>		<b>\$4,503,394</b>	<b>\$4,503,394</b>		<b>\$4,503,394</b>				

DATA SOURCE: 2014 Life and Health Annual Statements (State Page) for all companies writing business in Louisiana (excluding Health Maintenance Organizations).

CAUTION: This page is unaudited and may contain inadvertent errors.

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# **APPENDIX D**

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## **AGGREGATE HEALTH PREMIUM AND ENROLLMENT**

**APPENDIX D – AGGREGATE HEALTH PREMIUM AND ENROLLMENT**

**HEALTH INSURANCE EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION  
IN LOUISIANA AS OF DECEMBER 31, 2014**

	<i>Total</i>	<i>Individual Comprehensive</i>	<i>Group Comprehensive</i>	<i>Medicare Supplement</i>
<b>Total Members at End of:</b>				
Prior Year	2,395,964	188,133	475,874	50,593
First Quarter	2,424,855	215,331	478,077	50,034
Second Quarter	2,502,336	260,789	481,383	49,671
Third Quarter	3,587,928	251,477	483,157	49,661
Current Year	3,612,537	240,457	486,851	49,691
<b>Current Year Member Months</b>	<b>36,232,064</b>	<b>2,838,745</b>	<b>5,774,018</b>	<b>596,018</b>
<b>Total Member Ambulatory Encounters for Year:</b>				
Physician	13,406,975	1,439,907	3,565,136	847,935
Non Physician	7,031,705	889,873	1,644,256	225,643
<b>Totals</b>	<b>20,438,680</b>	<b>2,329,780</b>	<b>5,209,392</b>	<b>1,073,578</b>
Hospital Patient Days Incurred	1,071,204	42,710	99,393	71,031
Number of Inpatient Admissions	166,730	9,804	21,569	7,085
Health Premiums Written	\$7,834,229,372	\$822,471,519	\$2,277,093,710	\$119,015,884
Life Premiums Direct	\$1,489,786	-	-	-
Property and Casualty Premiums Written	-	-	-	-
Health Premiums Earned	\$7,775,333,023	\$826,390,994	\$2,282,333,949	\$119,178,228
Property and Casualty Premiums Earned	-	-	-	-
Amount Paid for Provision of Health Care Services	\$6,557,683,889	\$730,171,193	\$1,850,939,760	\$91,253,974
Amount Incurred for Provision of Health Care Services	\$6,716,620,564	\$785,697,973	\$1,866,725,354	\$91,804,020

DATA SOURCE: 2014 Health Annual Statement, Exhibit of Premiums, Enrollment and Utilization (by state), for all companies writing business in Louisiana.

CAUTION: This page is unaudited and may contain inadvertent errors.

**APPENDIX D – AGGREGATE HEALTH PREMIUM AND ENROLLMENT**

**HEALTH INSURANCE EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION  
IN LOUISIANA AS OF DECEMBER 31, 2014**

	<i>Vision Only</i>	<i>Dental Only</i>	<i>Federal Employees Health Benefits Plan</i>	<i>Title XVIII Medicare</i>	<i>Title XIX Medicaid</i>	<i>Other</i>
<b>Total Members at End of:</b>						
Prior Year	183,226	227,737	72,510	195,866	698,315	303,710
First Quarter	185,401	240,963	72,304	209,341	673,428	299,976
Second Quarter	190,111	250,282	72,063	210,950	683,402	303,685
Third Quarter	196,146	1,315,441	71,939	213,840	697,748	308,519
Current Year	199,379	1,327,003	71,657	216,829	707,358	313,312
<b>Current Year Member Months</b>	<b>2,353,436</b>	<b>9,371,139</b>	<b>863,562</b>	<b>2,545,011</b>	<b>8,225,457</b>	<b>3,664,678</b>
<b>Total Member Ambulatory Encounters for Year:</b>						
Physician	-	-	673,117	4,431,178	2,449,499	203
Non-physician	34,456	1	348,261	2,457,476	1,431,096	643
<b>Totals</b>	<b>34,456</b>	<b>1</b>	<b>1,021,378</b>	<b>6,888,654</b>	<b>3,880,595</b>	<b>846</b>
Hospital Patient Days Incurred	-	-	39,557	486,126	332,358	29
Number of Inpatient Admissions	-	-	6,519	59,027	62,706	20
Health Premiums Written	\$14,166,676	\$149,498,649	\$378,762,291	\$2,483,157,264	\$1,364,891,652	\$225,171,728
Life Premiums Direct	-	-	-	-	-	\$1,489,786
Property/Casualty Premiums Written	-	-	-	-	-	-
Health Premiums Earned	\$14,165,719	\$75,656,755	\$387,511,846	\$2,483,164,967	\$1,364,891,652	\$222,038,914
Property/Casualty Premiums Earned	-	-	-	-	-	-
Amount Paid for Provision of Health Care Services	\$9,948,649	\$115,496,475	\$351,653,458	\$2,011,390,787	\$1,209,526,619	\$187,302,975
Amount Incurred for Provision of Health Care Services	\$9,911,850	\$122,345,160	\$351,652,724	\$2,031,083,817	\$1,273,530,561	\$183,869,105

DATA SOURCE: 2014 Health Annual Statement, Exhibit of Premiums, Enrollment and Utilization (by state), for all companies writing business in Louisiana.

CAUTION: This page is unaudited and may contain inadvertent errors.

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# **APPENDIX E**

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## **HEALTH MAINTENANCE ORGANIZATIONS**

**APPENDIX E - HEALTH MAINTENANCE ORGANIZATIONS**

**HEALTH MAINTENANCE ORGANIZATIONS EXHIBIT OF PREMIUMS AND LOSSES  
BUSINESS IN LOUISIANA AS OF DECEMBER 31, 2014**

<i>NAIC Number</i>	<i>Company Name</i>	<i>Total Members</i>	<i>Direct Premium Written</i>	<i>Market Share</i>	<i>Cumulative Market Share</i>	<i>Direct Premium Earned</i>	<i>Direct Losses Incurred</i>	<i>Loss Ratio</i>
95642	Humana Health Benefit Plan of Louisiana, Inc.	246,656	1,642,162,857	34.18%	34.18%	1,647,331,626	1,349,892,092	81.94%
13607	Peoples Health, Inc.	57,690	696,185,837	14.49%	48.67%	696,185,837	591,757,961	85.00%
14143	AmeriHealth Caritas Louisiana, Inc.	145,615	537,287,466	11.18%	59.85%	537,287,466	472,158,233	87.88%
95643	HMO Louisiana, Inc.	107,687	509,856,903	10.61%	70.46%	510,286,208	429,330,583	84.14%
13970	Louisiana Healthcare Connections, Inc.	152,240	454,598,799	9.46%	79.92%	454,598,799	373,237,015	82.10%
14064	Amerigroup Louisiana, Inc.	133,131	396,014,684	8.24%	88.16%	396,014,684	338,274,251	85.42%
95584	Vantage Health Plan, Inc.	33,210	230,301,942	4.79%	92.96%	230,301,942	187,966,850	81.62%
95173	Coventry Healthcare of Louisiana, Inc.	41,185	189,576,721	3.95%	96.90%	189,576,721	162,204,460	85.56%
12194	Wellcare of Louisiana, Inc.	8,582	94,508,602	1.97%	98.87%	94,508,602	74,945,729	79.30%
15131	Louisiana Health Cooperative, Inc.	9,980	46,288,142	0.96%	99.83%	46,288,142	46,253,027	99.92%
95833	UnitedHealthcare of Louisiana, Inc.	1,600	7,974,267	0.17%	100.00%	7,616,964	5,136,868	67.44%
15550	Magellan Complete Care of Louisiana, Inc.	-	-	0.00%	100.00%	-	-	0.00%
<b>12 HMO's</b>	<b>TOTALS</b>	<b>937,576</b>	<b>\$4,804,756,220</b>	<b>100.00%</b>		<b>\$4,809,996,991</b>	<b>\$4,031,157,069</b>	<b>83.81%</b>

DATA SOURCE: 2014 Health Annual Statement, Exhibit of Premiums, Enrollment and Utilization (by state), for all companies writing business in Louisiana.

CAUTIONS: The information contained on this page is unaudited and not a complete financial analysis, nor is it an expression of opinion on any insurer. This page may contain inadvertent errors.

# **APPENDIX F**

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## **TITLE INSURANCE**

APPENDIX F – TITLE INSURANCE

TITLE INSURANCE EXHIBIT OF PREMIUMS AND LOSSES  
BUSINESS IN LOUISIANA AS OF DECEMBER 31, 2014

NAIC Number	Company Name	Domicile	Direct Premium Written			Other Income	Direct Premium Earned	Direct Losses Paid	Direct Losses Incurred	Direct Losses Unpaid
			Direct Operations	Non-Affiliated Agencies	Affiliated Agencies					
51411	American Guaranty Title Insurance, Co.	OK	35,350	604,690	-	646,821	9,475	8,712	563	
50229	Chicago Title Insurance, Co.	NE	58,614	11,070,410	3,630,697	14,784,901	407,870	395,363	327,251	
50083	Commonwealth Land Title Insurance, Co.	NE	7,599	11,810,271	11,571	11,314,927	2,368,682	1,956,176	2,866,575	
51632	EnTitle Insurance, Co.	OH	4,312	-	-	4,560	-	-	-	
51586	Fidelity National Title Insurance, Co.	CA	125,104	17,743,511	438,138	18,897,117	1,238,131	1,316,084	1,036,769	
50814	First American Title Insurance, Co.	NE	4,213,138	7,975,493	617,530	13,817,516	2,324,542	1,922,243	989,311	
51527	First American Title Insurance, Company of Louisiana	LA	-	42,282,633	-	41,293,342	1,087,783	1,095,144	166,971	
50369	Investors Title Insurance, Co.	NC	259	783,136	-	753,209	40,892	25,833	163	
51020	National Title Insurance of New York, Inc.	NY	-	-	407,193	395,754	126	(9,761)	-	
50520	Old Republic National Title Insurance, Co.	FL	189,145	7,733,268	-	7,884,967	204,379	228,592	358,197	
50784	Security Title Guaratee Corporation of Baltimore	MD	-	2,589,862	-	2,551,519	203,249	298,461	616,140	
50121	Stewart Title Guaranty, Co.	TX	327,748	16,471,305	300,676	16,776,757	966,968	649,167	787,402	
51152	WFG National Title Insurance, Co.	SC	1,430	12,066,459	231,142	11,471,881	40,029	74,086	34,057	
<b>13 Companies</b>		<b>TOTALS</b>	<b>\$4,962,699</b>	<b>\$131,131,038</b>	<b>\$5,636,947</b>	<b>\$140,593,271</b>	<b>\$8,892,126</b>	<b>\$7,960,100</b>	<b>\$7,183,399</b>	

DATA SOURCE: 2014 Title Annual Statement, Schedule T for all companies writing business in Louisiana.

CAUTION: The information contained on this page is unaudited and not a complete financial analysis, nor is it an expression of opinion on any insurer. This page may contain inadvertent errors.

# **APPENDIX G**

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## **FRATERNAL INSURANCE**

**APPENDIX G – FRATERNAL INSURANCE**

**FRATERNAL INSURERS EXHIBIT OF PREMIUMS AND ANNUITY CONSIDERATIONS  
BUSINESS IN LOUISIANA AS OF DECEMBER 31, 2014**

NAIC Number	Company Name	Domicile	Direct Business Only				
			Life Contracts		Accident and Health Premiums	Other Considerations	Deposit-Type Contract
			Life Insurance Premiums	Annuity Considerations			
56499	Assured Life Association	CO	4,964	327	2,711,883	-	-
57223	Baptist Life Association	NY	3,505	-	-	-	-
56030	Catholic Financial Life	WI	64,829	6,748	413	-	-
57770	Catholic Holy Family Society	IL	142,944	-	-	-	-
57347	Catholic Life Insurance	TX	446,424	1,171,953	-	-	56,014
57487	Catholic Order of Foresters	IL	39,646	15,350	6,890	-	-
57991	Everence Association, Inc.	IN	528	-	5,244	-	-
56685	GBU Financial Life	PA	1,761	-	-	-	-
56154	Gleaner Life Insurance Society	MI	3,608	-	-	-	28
56017	Grand Lodge Benevolent Knights of A	LA	1,640	-	-	-	-
58068	Independent Order of Foresters US Branch	NY	6,130,444	842	56,102	-	1,912
58033	Knights of Columbus	CT	17,578,575	-	1,190,535	-	10,599,783
57835	Knights of Peter Claver	AL	447,466	-	-	-	-
56758	Loyal Christian Benefit Association	PA	1,343	-	818	-	-
57541	Modern Woodmen of America	IL	4,818,129	6,113,879	91	-	-
57568	National Catholic Society of Foresters	IL	448	-	-	-	-
56073	National Mutual Benefit	WI	651	-	-	-	-
56383	Order of United Commercial Travelers	OH	26,713	800	3,186,017	-	-
58009	Police and Firemen's Insurance Association	IN	707,379	438,550	1,122,978	-	15,433
57622	Polish National Alliance US of National Alliance	IL	1,642	-	-	-	-
57657	Royal Neighbors of America	IL	16,663	100,000	21,519	-	-
57142	Sons of Norway	MN	1,283	281	-	-	-
58181	Supreme Council Royal Arcanum	MA	17,587	-	825	-	-
56014	Thrivent Financial for Lutherans	WI	3,610,569	7,139,693	644,991	-	-
56006	Travelers Protective Association of America	MO	-	-	4,072	-	-
56456	United States Letter Carriers Mutual Benefit Association	TN	32,685	64,803	28,691	-	-
56413	United Transportation Union Insurance Association	OH	124,128	11,056	110,548	-	-
58017	Western Fraternal Life Association	IA	19,718	-	-	-	566
57010	William Penn Association	PA	2,436	-	-	-	223
56170	Woman's Life Insurance Society	MI	7,392	-	-	-	229
57320	Woodmen World Life Insurance Society	NE	19,831,688	23,632,860	675,135	-	2,589,300
<b>31 Companies</b>		<b>TOTALS</b>	<b>\$54,086,788</b>	<b>\$38,697,142</b>	<b>\$9,766,752</b>	<b>-</b>	<b>\$13,263,488</b>

DATA SOURCE: 2014 Fraternal Annual Statement, Schedule T for all companies writing business in Louisiana.

CAUTION: The information contained on this page is unaudited and not a complete financial analysis, nor is it an expression of opinion on any insurer. This page may contain inadvertent errors.

# **APPENDIX H**

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## **GROUP SELF-INSURANCE FUNDS**

## APPENDIX H – GROUP SELF-INSURANCE FUNDS

### STATE OF LOUISIANA GROUP SELF-INSURANCE PREMIUM BUSINESS WRITTEN CALENDAR YEAR 2014

<i>Fund Name</i>	<i>Premium Written</i>
LAC Self-Insured Fund (Cotton) <sup>(e)</sup>	6,959,745
Louisiana Association of Clerks of Court Risk Management Agency <sup>(b)</sup>	443,984
Louisiana Automobile Dealers Association Self-Insured Fund <sup>(e)</sup>	8,860,111
Louisiana Commerce and Trade Association SIF <sup>(e)</sup>	29,058,992
Louisiana Construction and Industry Self Insurers Fund <sup>(e)</sup>	29,101,962
Louisiana Health Care Self Insurance Fund <sup>(e)</sup>	8,220,532
Louisiana Homebuilders Association Self Insurers Fund <sup>(a)</sup>	20,487,056
Louisiana Hospital Association Workers' Compensation Self-Insured Fund <sup>(e)</sup>	6,186,724
Louisiana Housing Council Authorities Group Self-Insured Fund <sup>(a)</sup>	11,831,152
Louisiana Loggers Self Insurance Fund <sup>(e)</sup>	3,327,465
Louisiana Municipal Risk Management Agency <sup>(e)</sup>	29,585,578
Louisiana Public Schools Risk Management Agency <sup>(d)</sup>	5,102,276
Louisiana Restaurant Association Self Insurer's Fund <sup>(e)</sup>	17,863,262
Louisiana Rural Parish Insurance Cooperative <sup>(e)</sup>	2,406,024
Louisiana Schools Self Insured Group <sup>(b)</sup>	2,831,052
Police Jury Association of Louisiana <sup>(e)</sup>	18,919,035
Property Casualty Alliance of Louisiana <sup>(b)</sup>	2,291,421
<b>TOTAL</b>	<b>\$203,476,371</b>

DATA SOURCE: Audited Financial Statements for all Group Self-Insurance Funds writing coverage in Louisiana.

<sup>(a)</sup>As of March 31, 2014

<sup>(b)</sup>As of June 30, 2014

<sup>(c)</sup>As of July 31, 2014

<sup>(d)</sup>As of October 1, 2014

<sup>(e)</sup>As of December 31, 2014

CAUTION: The information contained on this page is unaudited and not a complete financial analysis, nor is it an expression of opinion on any insurer. This page may contain inadvertent errors.

# **APPENDIX I**

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## **REVENUE REPORT**

**AS REQUIRED BY  
LA. R.S. 49:308.6(C)**

**APPENDIX I – REVENUE REPORT**

**MULTI-YEAR COMPARISON OF REVENUES BY TYPE  
SUMMARY**

<i>Description</i>	<i>Fiscal Year 2014-2015</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>
<b>Self-Generated Fees</b>	<b>\$24,348,733</b>	<b>\$23,180,236</b>	<b>\$23,468,430</b>
Assessments:			
<i>Health Insurance Portability and Accountability Act Assessment, Interest</i>	785,019	869,781	666,483
<i>Louisiana Insurance Rating Assessment</i>	86,903,511	83,133,777	78,724,584
<i>Insurance Fraud Investigation Assessment</i>	3,964,990	3,892,958	3,831,854
<b>Total Assessments</b>	<b>\$91,653,520</b>	<b>\$87,896,516</b>	<b>\$83,222,921</b>
Federal Funds	1,080,019	909,702	790,683
Miscellaneous/Other Revenue:			
<i>Louisiana Automobile Theft and Insurance Fraud Prevention Authority (Gifts, Grants, Donations), Interest</i>	8,131	36,957	30,268
<i>Income Not Available</i>	397,308	676,120	573,983
<i>Premium Taxes</i>	454,081,223	445,508,675	421,874,098
<b>Total Other Major State Revenue</b>	<b>\$454,486,662</b>	<b>\$446,221,752</b>	<b>\$422,478,349</b>
Interagency Transfers	-	145,702	0
<b>TOTAL COLLECTIONS</b>	<b>\$571,568,934</b>	<b>\$558,353,908</b>	<b>\$529,960,383</b>

## APPENDIX I – REVENUE REPORT

### MULTI-YEAR COMPARISON OF REVENUES BY TYPE SELF-GENERATED FEES

<i>Description</i>	<i>Revised Statute</i>	<i>Fee Amount</i>	<i>Fiscal Year 2014-2015</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>
Certificate of Authority, Initial Certificate	22:821(B)(1), 22:269(B)(1), 22:214(B)(1)	2,500/500/25	107,402	121,375	109,100
Initial Examination of Insurance Companies	22:269(B)(4)	1,000	-	1,792	1,802
Securities Fees-Registration of Securities	22:821(B)(6)	200	137	338	338
Filing a Charter, Other Documents and Amendments thereto	22:821(B)(8), 22:269(B)(2)	25/5	12,884	3,120	6,684
Approval Fee of Foreign or Alien Surplus Lines Insurers	22:821(B)(17)	1,050	180,600	191,100	182,700
Third Party Administrators-Licensing Fee	22:821(B)(15)(a)	500	15,325	15,000	15,150
Third Party Administrators-Annual Report Filing Fee	22:821(B)(15)(b)	300	101,675	107,575	105,950
Acquisition of Control or Merger with a Domestic Insurer-Statement Fee	22:821(B)(16)	2,500	5,000	5,000	10,000
Risk Purchasing Group-Registration Fee	22:821(B)(18)(a)	100	2,250	5,200	3,300
Risk Purchasing Group-Annual Renewal	22:821(B)(18)(b)	50	17,475	15,875	16,525
Viatical Settlement Broker-First Time Applicant	22:821(B)(19)(a)	50	100	-	100
Viatical Settlement Broker-Annual Renewal	22:821(B)(19)(a)	50	350	850	800
Viatical Settlement Investment Agent-First Time Applicant	22:821(B)(19)(b)	50	-	50	-
Viatical Settlement Investment Agent-Annual Renewal	22:821(B)(19)(b)	50	-	50	50
Viatical Settlement Provider-First Time Applicant	22:821(B)(19)(c)	1,000	-	1,000	50
Vehicle Mechanical Breakdown Insurer	22:362(A)	1,500	75,000	71,590	69,150
Medical Necessity Review Organization-Licensing Fee	22:821(B)(28)(a)	1,500	24,000	10,500	13,500
Medical Necessity Review Organization-Annual Report Filing Fee	22:821(B)(28)(b)	500	34,500	34,500	30,000
Dental Referral Plan-Initial License	22:1166	250	-	-	250
Dental Referral Plan-Renewal Fee	22:1166	250	500	-	250

## APPENDIX I – REVENUE REPORT

### MULTI-YEAR COMPARISON OF REVENUES BY TYPE SELF-GENERATED FEES (CONTINUED)

<i>Description</i>	<i>Revised Statute</i>	<i>Fee Amount</i>	<i>Fiscal Year 2014-2015</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>
Producer License-First Time Applicant Includes the Following: Each Additional Line of Authority for Limited Lines only \$35 Specialty Limited Lines Credit Insurance Specialty Limited Lines Motor Vehicle Title Insurance	22:821(B)(3)(a-d) 22:1549(B)(4) & (5) 22:1550(B)(1)(d) & (B)(2)	75 + 35 Each Additional Line 1,000/250+20 ea. emp. 1,000/250+20 ea. emp.	2,575,599	2,191,239	1,935,556
Producer License-Additional or Renewal Company Appointment (Yearly)	22:821(B)(3)(a-d), 22:1549(D), 22:1550(D)	20	12,063,820	11,595,315	10,907,190
Producer License-Renewal Fee (Every Two Years) Includes the following: Producer Renewal Fee Specialty Limited Lines Credit Insurance Specialty Limited Lines Motor Vehicle Title Insurance	22:821(B)(3)(a-d) 22:1549(C) 22:1550(C)	50 500/125+10 each emp. 500/125+10 each emp.	3,172,967	3,039,550	3,328,532
Producer License-Surplus Line Broker-First Time Applicant	22:821(B)(3)(e)	250	74,075	84,650	66,275
Producer License-Surplus Line Broker-Renewal Fee	22:821(B)(3)(e)	350	590,150	255,100	376,377
Producer License-Failure to File Producer License Timely (Late Fee)	22:821(B)(3)(f), 22:1547(C)(2)	50	344,345	312,125	274,110
Producer License-Continuing Education Provider/Course Application Fee	22:821(B)(29)(a-b)	250/25	59,900	52,555	58,890
Producer License-Duplicate Producer License/Name Change	22:821(B)(3)(g)	15	965	6,190	10,835
Producer License-Invalid/Bad Address	22:1547(G)	50	23,750	59,300	54,700
Managing General Agent-Initial Registration	22:821(B)(14)(a)	300	2,700	2,100	4,500
Managing General Agent-Annual Registration	22:821(B)(14)(b)	300	11,400	10,800	12,300
Managing General Agent-Insurer's Initial Notice of Appointment	22:821(B)(14)(c)	300	1,500	300	2,700
Managing General Agent-Insurer's Annual Notice of Appointment	22:821(B)(14)(d)	300	11,400	11,775	12,000
Company Filing of Life, Health and Accident Insurance Policy Forms-Per Product	22:821(B)(11)(a)	100	182,875	71,200	66,400
Company Filing of Property and Casualty Insurance Policy Forms-Per Product	22:821(B)(10)(a)	100	68,931	70,675	96,435

## APPENDIX I – REVENUE REPORT

### MULTI-YEAR COMPARISON OF REVENUES BY TYPE SELF-GENERATED FEES (CONTINUED)

<i>Description</i>	<i>Revised Statute</i>	<i>Fee Amount</i>	<i>Fiscal Year 2014-2015</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>
Company Filing to Adopt a Reference or Item Filing of Advisory Organizations Form Reference Filing	22:821(B)(10)(b)	20	4,680	9,119	5,385
Company Filing of Property and Casualty Insurance Policy Endorsements, Amendments, or Riders	22:821(B)(10)(c)	25	106,529	82,421	81,270
Impounded Auto Sale	14:98(D)(2)(a)(d), 14:98(E)(2)(a)(d)		-	-	-
Company Filing of Self-Insured Health and Accident Insurance Policy Form-Per Product	22:821(B)(9)	100	-	-	-
Company Filing of Life, Health and Accident Insurance Policy Forms or Health Maintenance Organization Submission-Per Product	22:821(B)(11)(a)	100	74,370	67,300	61,985
Company Filing of Medicare Supplemental Insurance Premium Rates, Rate Schedule and Supporting Documents-Per Type	22:821(B)(11)(b)	100	14,800	15,500	16,700
Company Filing of Medicare Supplement Insurance Advertisements, Per Submission	22:821(B)(11)(c)	100	18,900	21,700	17,000
Health Care Conference			44,640	47,250	53,550
Financial Examination-Professional Service Contract	22:976(B), 22:308, 22:705, 22:1981, 22:1982, 22:1985, 22:1986, 22:2064, 22:2094, 22:370, 22:251, 22:256, 22:484(G), 22:462, 23:1197(C), 33:1348(B), 33:1350.2, 33:1358, 42:851(D) (Part XXVIII of Title22)		235,433	58,331	35,170
Financial Examination-State Examiner	22:976(B), 22:308, 22:705, 22:1981, 22:1982, 22:1985, 22:1986, 22:2064, 22:2094, 22:370, 22:251, 22:256, 22:484(G), 22:462, 23:1197(C), 33:1348(B), 33:1350.2, 33:1358, 42:851(D) (Part XXVIII of Title22)		-	14,243	780
Market Conduct-Professional Service Contract	22:308, 22:705, 22:1985, 22:976(B)		31,800	-	-
Market Conduct-State Examiner	22:308, 22:705, 22:1985, 22:976(B)		300	50	20,968
Surplus Lines/Insurance Premium Tax-Professional Service Contract	22:308, 22:705, 22:1985, 22:976(B)		-	-	-
Annual Financial Regulation Fee/Annual Statement (Health Maintenance Organization)	22:821(B)(2), 22:269(B)(3)(a)	1,000/250	1,382,253	1,381,564	1,392,910

**APPENDIX I – REVENUE REPORT**

**MULTI-YEAR COMPARISON OF REVENUES BY TYPE  
SELF-GENERATED FEES  
(CONTINUED)**

<i>Description</i>	<i>Revised Statute</i>	<i>Fee Amount</i>	<i>Fiscal Year 2014-2015</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>
Fines/Stipulations	22:13, 22:14, 22:16, 22:18, 22:33, 22:35, 22:68(E), 22:88(M)(1)(2)(3), 22:184, 22:216, 22:250, 22:252, 22:257, 22:269, 22:271, 22:316, 22:348, 22:371, 22:391, 22:440, 22:444: 22:456, 22:457, 22:536, 22:591, 22:597, 22:709, 22:714, 22:796, 22:833, 22:846, 22:855, 22:987, 22:1011, 22:1071, 22:1143, 22:1167, 22:1191, 22:1211, 22:1283, 22:1292, 22:1460, 22:1529, 22:1546, 22:1547, 22:1549, 22:1550, 22:1552, 22:1554, 22:1556, 22:1557, 22:1558, 22:1559, 22:1562, 22:1585, 22:1623, 22:1625, 22:1627, 22:1651, 22:1654, 22:1671, 22:1672, 22:1699, 22:1700, 22:1731, 22:1770, 22:1837, 22:1860, 22:1877, 22:1892, 22:1924, 22:1925, 22:1929, 22:1946, 22:1964, 22:1969, 22:1970, 22:1994, 22:1995, 22:2007, 22:2036, 22:2060, 22:2069, 22:2090, 22:2198, 22:2245, 22:2394, 22:2399		350,233	1,196,009	2,113,478
Lawsuit Fees	9:2800.7(H)	5	45	5	45
Annual Premium Tax Fee (\$90,000)	22:794, 22:821(D)	90,000	90,000	90,000	90,000
Copies, Certified Copies and Other Fees (Miscellaneous)	LA Administrative Code Title 4 Chapter 3:30; 22:821(B)(4), 22:269(B)(5)	0.25/3	965	1,555	1,235
Professional Employer Organization New License	22:1748	500	11,800	11,400	10,900
Professional Employer Organization Renewal	22:1748	300	34,900	33,800	34,200
Limited Licensing for Motor Vehicle Rental Company-Initial License	22:1763(B)	500/100	500	2,000	-
Limited Licensing for Motor Vehicle Rental Company-Renewal	22:1763(B)	250/50	1,500	550	2,000
Service of Process	22:821(B)(22)	25	2,985	3,130	3,025
Claims Adjuster License and Registration-Business Entity-Initial License	22:821(B)(23)(a)	55	2,150	13,310	121,395
Claims Adjuster License and Registration-Business Entity-Renewal	22:821(B)(23)(a)	50	8,350	1,850	8,100
Claims Adjuster License and Registration-Resident/Non-Resident-Initial License	22:821(B)(23)(b)	55	778,810	549,605	551,420
Claims Adjuster License and Registration-Resident/Non-Resident-Renewal	22:821(B)(23)(b)	50	1,311,305	1,176,450	916,760
Claims Adjuster License and Registration-Catastrophe and Emergency Claims Adjuster	22:821(B)(23)(c)	25	2,125	<b>11,100</b>	71,625

## APPENDIX I – REVENUE REPORT

### MULTI-YEAR COMPARISON OF REVENUES BY TYPE SELF-GENERATED FEES (CONTINUED)

<i>Description</i>	<i>Revised Statute</i>	<i>Fee Amount</i>	<i>Fiscal Year 2014-2015</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>
Public Adjuster License-Business Entity-Initial License	22:821(B)(24)(a)	55	440	625	1,265
Public Adjuster License-Business Entity-Renewal	22:821(B)(24)(a)	50	1,200	150	1,250
Public Adjuster License-Resident/Non-Resident-Initial License	22:821(B)(24)(b)	55	1,540	1,650	3,410
Public Adjuster License-Resident/Non-Resident-Renewal	22:821(B)(24)(b)	50	5,400	7,150	4,800
Risk Retention Group-Initial Registration	22:821(B)(21)	1,000	4,000	5,000	7,000
Certificate of Compliance	22:821(B)(25)	10	2,700	3,280	3,300
Louisiana Automobile Theft and Insurance Fraud Prevention Authority Conference		95	18,100	1,200	27,200
Filing of Vehicle Mechanical Breakdown Insurance Policies, Per Submission	22:821(B)(26)	25	3,250	-	7,250
Discount Medical Plan-Application	22:2394	250	-	4,000	250
Home Service Contract Providers-Initial Registration	22:821(B)(30)(a)	600	2,400	3,750	3,750
Home Service Contract Providers-Renewal Fee (Every Two Years)	22:821(B)(30)(b)	250	500	1,000	350
Prelicensing or Continuing Education-Provider Application	22:821(B)(29)(a)	250	6,150	7,275	8,525
Prelicensing or Continuing Education-Program or Course Application	22:821(B)(29)(b)	25	25	500	500
Appraisers-First Time Applicant	22:821(B)(34)(a)	55	1,050	3,925	660
Appraisers-Renewal Fee	22:821(B)(34)(b)	50	1,530	1,700	-
Portable Electronics Insurance Limited Line License-Initial License Application	22:821(B)(35)(a)	200	-	-	200
Portable Electronics Insurance Limited Line License-Renewal	22:821(B)(35)(b)	100	-	-	-
Utilization Review Organization (other than a Health Insurance Issuer)-Application Fee	22:821(B)(36)(a)	1,500	22,000	-	-
Utilization Review Organization (other than a Health Insurance Issuer)-Annual Reporting Fee	22:821(B)(36)(b)	500	1,000	-	-
Independent Review Organization-Application Fee	22:821(B)(37)(a)	500	4,500	-	-
Independent Review Organization-Annual Reporting Fee	22:281(B)(37)(b)	500	500	-	-
Suspense (Unidentified Payments)			-	-	-
<b>TOTAL FEES</b>			<b>\$24,347,233</b>	<b>\$23,177,236</b>	<b>\$23,452,110</b>

**APPENDIX I – REVENUE REPORT**

**MULTI-YEAR COMPARISON OF REVENUES BY TYPE  
ASSESSMENTS**

<i>Health Insurance Portability and Accountability Act Assessment-Administrative Fund</i>	<i>Revised Statute</i>	<i>Fiscal Year 2014-2015</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>
HIPAA Assessment	22:1071(D)(2)(a)	784,992	869,757	666,440
HIPAA Interest	22:1071(D)(3)(b)	27	24	43
<b>TOTAL ADMINISTRATIVE FUND</b>		<b>\$785,019</b>	<b>\$869,781</b>	<b>\$666,483</b>

<i>Louisiana Insurance Rating Assessment</i>	<i>Revised Statute</i>	<i>Fiscal Year 2014-2015</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>
Sheriffs' Pension Fund, Municipal Police Retirement Fund, Firefighters' Retirement Fund	22:1476(A)(3)	60,832,458	58,195,005	55,105,848
Municipal Fire and Police Civil Service	22:1476(A)(2)	2,172,588	2,077,200	1,969,259
Department of Insurance	22:1476(B)	23,898,465	22,861,572	21,649,477
<b>TOTAL LOUISIANA INSURANCE RATING ASSESSMENT</b>		<b>\$86,903,511</b>	<b>\$83,133,777</b>	<b>\$78,724,584</b>

<i>Insurance Fraud Investigation Fund Assessment</i>	<i>Revised Statute</i>	<i>Fiscal Year 2014-2015</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>
Fraud Assessment-Administrative Fee	40:1428(A)(4)(a)	30,000	30,000	30,000
Fraud Assessment-Louisiana Automobile Theft and Insurance Fraud Prevention Authority	40:1428(A)(4)(a)	187,000	187,000	187,000
Fraud Assessment-Department of Insurance - 10%	40:1428(A)	396,245	398,196	362,774
Fraud Assessment-Department of Justice - 15%	40:1428(A)	653,576	584,365	553,843
Fraud Assessment-Department of Public Safety - 75%	40:1428(A)	2,698,169	2,693,397	2,698,237
<b>TOTAL INSURANCE FRAUD INVESTIGATION FUND ASSESSMENT</b>		<b>\$3,964,990</b>	<b>\$3,892,958</b>	<b>\$3,831,854</b>

**APPENDIX I – REVENUE REPORT**

**MULTI-YEAR COMPARISON OF REVENUES BY TYPE  
FEDERAL/MISCELLANEOUS/OTHER REVENUE**

<i>Federal</i>	<i>Fiscal Year 2014-2015</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>
Senior Health Insurance Information Program Grant	\$717,139	\$725,789	\$775,506
Premium Rate Review Grant	\$362,880	\$183,913	\$15,177
<b>TOTAL FEDERAL FUNDS</b>	<b>\$1,080,019</b>	<b>\$909,702</b>	<b>\$790,683</b>

<i>Louisiana Automobile Theft and Insurance Fraud Prevention Authority</i>	<i>Revised Statute</i>	<i>Fiscal Year 2014-2015</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>
LATIFPA Fund (Gifts, Grants, Donations)	22:2133(2)	\$8,000	\$36,750	\$30,000
LATIFPA Fund Interest	22:2134(A)	\$131	\$207	\$268
<b>TOTAL LATIFPA</b>		<b>\$8,131</b>	<b>\$36,957</b>	<b>\$30,268</b>

<i>Income Not Available</i>	<i>Fiscal Year 2014-2015</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>
Income Not Available	\$354,939	\$670,294	\$570,164
Income Not Available - Prior Year Accounts Receivable Collections	\$42,369	\$5,826	\$3,819
<b>TOTAL INCOME NOT AVAILABLE</b>	<b>\$397,308</b>	<b>\$676,120</b>	<b>\$573,983</b>

<i>Insurance Premium Taxes</i>	<i>Revised Statute</i>	<i>Fiscal Year 2014-2015</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>
Medicaid-Enrollment Managed Care Organization-Bayou Health Plan (New for Fiscal Year 2012-2013)	22:842(B)	51,278,390	30,921,635	17,921,585
Life, Accident and Health	22:838, 22:842, 22:270	76,659,099	96,475,389	93,955,844
Fire Casualty and Miscellaneous	22:838, 22:831	213,104,691	208,851,149	204,901,544
Surplus Lines	22:439	71,522,894	68,281,409	65,662,957
Fireman Training	22:837	3,172,454	3,140,883	3,057,655
Fire Department	22:345	21,609,815	21,472,344	20,418,664
Penalties	22:846, 22:796, 22:440	340,255	420,370	468,779
Retaliatory	22:836	341,892	247,489	194,456
<b>Sub-Totals</b>		<b>\$438,029,490</b>	<b>\$429,810,668</b>	<b>\$406,581,484</b>
Fire Marshal	22:835	16,051,733	15,698,007	15,292,614
<b>TOTAL INSURANCE PREMIUM TAXES</b>		<b>\$454,081,223</b>	<b>\$445,508,675</b>	<b>\$421,874,098</b>

## APPENDIX I – REVENUE REPORT

### MULTI-YEAR COMPARISON OF REVENUES BY TYPE INTERAGENCY TRANSFERS

<i>Description</i>	<i>Fiscal Year 2014-2015</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>
The Medicare Improvements for Patients and Providers Act Federal Grant through the Governor’s Office of Elderly Affairs	-	\$145,702	-
<b>TOTAL INTERAGENCY TRANSFERS</b>	-	<b>\$145,702</b>	-



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