



LDI Louisiana
Department of
Insurance

2016 - 2017 Annual Report

James J. Donelon, Commissioner of Insurance

LOUISIANA DEPARTMENT OF INSURANCE

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LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON
COMMISSIONER

February 1, 2018

Honorable Members of the Louisiana Legislature:

I respectfully submit the Louisiana Department of Insurance (LDI) 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 2016-2017 annual report as required by statute.

The LDI works diligently to balance the needs of insurance consumers with the insurance industry's need to run a competitive business. We work to make certain that insurers comply with all the laws in place to protect policyholders. As a regulator, we enforce the laws that provide a fair and stable marketplace with transparent rules so one insurer does not have an unfair competitive advantage over other insurers.

I am pleased to report that our homeowners market is stable and competitive. The market impact of homeowners rate changes for 2017 is about +1.5 percent, while in 2016 it was +0.8 percent. Furthermore, we are continuing to see shrinking of the state's market of last resort, Louisiana Citizens Property Insurance Corporation, after its eleventh round of depopulation. This year, five companies requested 10,072 residential policies, dropping the personal lines policy count to about 39,000 residential policies. In the past ten years, Citizens has gone from having 9.8 percent of the Louisiana homeowners market to having 0.5 percent, and from being the third largest insurer in our state, to being an estimated 35th today. These improvements in our state's homeowners market is not only good news for all property insurance consumers due to the future risk of assessment, but as well as for the state's future ability to recover from severe weather events.

While our staff has worked to protect the interests of consumers in the challenging areas of health insurance and long-term care, as well as auto insurance, bail bonds, and workers' compensation and many others - they have found time to support our community by pledging \$10,740 in the 2017 State Combined Charitable Campaign and donating five barrels of nonperishables to the Baton Rouge Food Bank in this year's 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.

Very Truly Yours,

James J. Donelon
Commissioner of Insurance



2016 – 2017

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, 2016
ENDING JUNE 30, 2017**

James J. Donelon
Commissioner of Insurance

www.lidi.la.gov
1-800-259-5300

**This report is available on the
Louisiana Department of Insurance website,
www.lidi.la.gov/annualreports**



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 2016 - 2017 FISCAL YEAR**

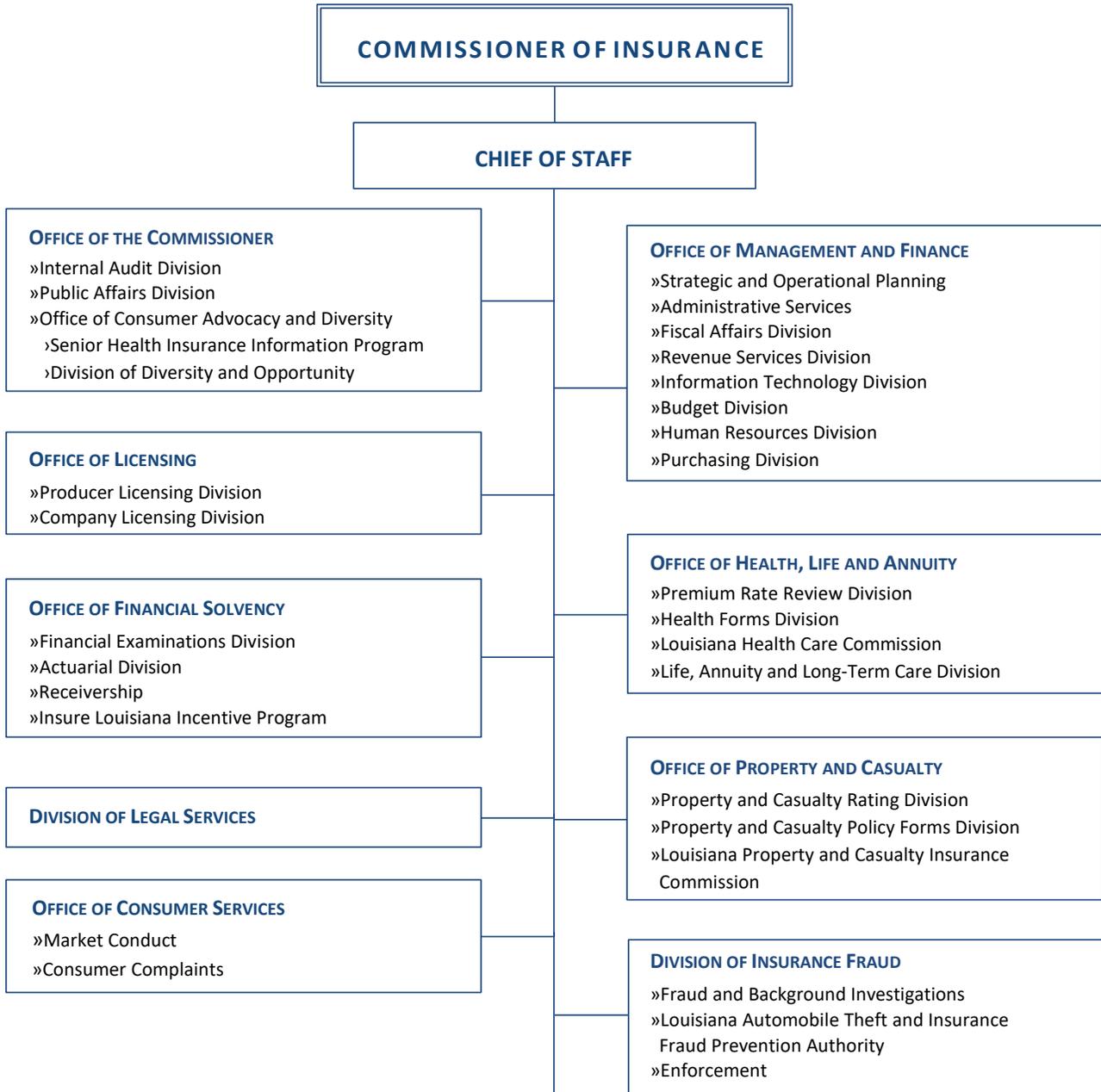


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Executive Summary

EXECUTIVE SUMMARY

The Louisiana Department of Insurance (LDI) 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 operated on a budget of \$30.2 million, including \$1.3 million in federal funds. This reflects a reduction of more than \$1.2 million from the appropriated budget of \$31.46 million at the beginning of the fiscal year.

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. Electronic processing continues to improve the LDI's ability to enhance efficiency. 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.

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.

The Division of Insurance Fraud works to prevent fraud by performing background checks of licensees and investigating allegations of fraud against regulated entities. You can now access regulatory actions taken by the department through our online services on our website.

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

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 information to the public and to regulated entities.

This document and prior Annual Reports will remain accessible on the Department's website at www.la.gov/annualreports.



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. Its main purpose is to assist management in strategically achieving objectives by providing independent reviews that identify control deficiencies in 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 department activities, records, property and personnel.

This division's goals are to: evaluate and report on the soundness and adequacy of the department's internal control structure; assess each division's compliance with applicable policies, procedures, laws and regulations; verify the existence of department assets and ensure they are properly accounted for and safeguarded from loss; and perform special projects and reviews as requested by management.

The internal auditor also coordinates with external auditors and reviewers, such as the Louisiana legislative auditor, as needed. The auditor conducts follow up visits to each office to ensure that corrective actions are implemented and controls properly mitigate weaknesses previously identified by the audit process. This function helps each office and division eliminate repeat findings in the external audit reports.

To provide these value-added services and remain current on professional standards and industry trends, the internal auditor actively participates in local and national professional organizations and attends conferences and seminars to obtain continuing education hours each year.

PUBLIC AFFAIRS DIVISION

The Department of Insurance Public Affairs Division reports to the commissioner. The division's primary function is to communicate timely, accurate and relevant information to consumers, industry and the press. This is accomplished through the dissemination of material such as press releases, handouts, newsletters, columns, social media and public service announcements.

The Public Affairs Division creates and manages public awareness projects, including campaigns to encourage preparedness for storm season, urge consumers to shop insurance rates, create a home inventory, raise awareness of Medicare services available to seniors through the Senior Health Insurance Information Program and prevent insurance fraud and vehicle theft. This fiscal year the Public Affairs Division also conducted a campaign on reducing distracted driving. This division creates and maintains content on the LDI website, manages the public email system, prepares public presentations, coordinates public information requests, and arranges media interviews and speaking engagements for the commissioner.

This division produces and maintains more than a dozen consumer guides, which include information on purchasing homeowners, health, automobile and life insurance, preparing for disasters, spotting insurance fraud and how to become a licensed producer or adjuster in Louisiana.

OFFICE OF THE COMMISSIONER

PUBLIC AFFAIRS DIVISION

In August 2016, Public Affairs responded to the historic flood experienced in South Louisiana by implementing numerous initiatives including:

- Creating online resources for consumers, agents and industry
- Compiling FAQ's with responses to distribute to Consumer Services, Consumer Advocacy and phone volunteers to answer questions for the public
- Responding to dozens of media requests
- Drafting press releases with guidance for consumers
- Supporting the issuance of emergency rules
- Updating and assembling copies of the Post-Disaster Insurance Guide and other relevant publications for distribution at Consumer Advocacy events.

Public Affairs also worked with the Federal Emergency Management Agency (FEMA) to analyze data regarding the National Flood Insurance Program's penetration in Louisiana.

Public Affairs collaborated with other divisions on projects that focused on providing insurance consumers with more data to make informed decisions. Public Affairs worked with Internet Technology (IT) and Consumer Services staff to create a new online complaint report tool. It allows consumers to compare complaint data for insurance companies in the state. The division also worked with Senior Health Insurance Information Program (SHIIP) staff to create Medicare Advantage Plan charts by parish. The charts helped consumers see plans and benefits available in their area.

Public Affairs also created promotional materials and provided additional support for several conferences including the Louisiana Insurers Conference, the Louisiana Health Care Conference and Louisiana Automobile Theft and Insurance Fraud Prevention Authority Conference (LATIFPA).

This year the division managed a fall and spring LATIFPA public awareness campaign aimed at reminding consumers that automobile theft and burglary can happen in an instant, and a key to prevention is to lock automobile doors. The fall campaign included working with vendors to coordinate mall signage advertising across the state. The spring campaign included the creation and dissemination of flyers to higher education institutions across the state.

The division manages the online presence of the department, including social media and online video accounts and newsletters. The division worked with vendors to produce videos and public service announcements including *How to File a Complaint with the LDI* and *Applying for an Agent or Adjuster License*. They can be found on the LDI website.

OFFICE OF CONSUMER ADVOCACY AND DIVERSITY

The Office of Consumer Advocacy and Diversity 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 and Diversity 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 2016-2017, the Office of Consumer Advocacy and Diversity 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 1 summarizes the inquiries and file audits handled by the Office of Consumer Advocacy and Diversity. Table 2 summarizes the outreach activities of the Office of Consumer Advocacy and Diversity.

TABLE 1 **AUDITS BY COVERAGE TYPE**

<i>Category</i>	<i>Audits</i>	<i>Inquiries</i>	<i>Percent</i>
Property and Casualty	240	0	52.45%
Health	119	0	26.12%
Life, Annuity and Long-Term Care	74	0	21.43%
TOTALS	433	0	100.0%

OUTREACH ACTIVITIES

The Office of Consumer Advocacy and Diversity 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 and Diversity staff spoke on topics of a timely subject of the host organization’s choice and provided informational brochures and question and answer sessions. The office’s staff 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’s 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 AND DIVERSITY **TABLE 2**
THREE-YEAR HISTORY

	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>	<i>Fiscal Year 2014-2015</i>
Speaking Engagements	52	46	49
Informational Packets Distributed	4,898	4,164	6,303

SENIOR HEALTH INSURANCE INFORMATION PROGRAM

The Senior Health Insurance Information Program is within the Office of Consumer Advocacy and Diversity. 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 events, 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 3 ASSISTANCE PROVIDED TO SENIOR CITIZENS BY THE SENIOR HEALTH INSURANCE INFORMATION PROGRAM AND COUNSELORS*
 THREE-YEAR HISTORY**

	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>	<i>Fiscal Year 2014-2015</i>
Number of Hours Logged by Counselors	17,556	15,792	9,865
Number of Seniors Receiving Services (provided via telephone, email, postal mail and face-to-face contact)	52,398	45,361	20,863
Estimated Savings to Counseled Senior Health Clients	\$1,564,837	\$1,183,532	\$1,503,681
Number of Publications Disseminated	948,884	75,355	76,189
Number of Senior Health Group Presentations Provided (health fairs, senior fairs and enrollment events)	467	403	422
Number of Individuals in Attendance at Presentations	26,558	12,464	12,868
Number of Senior Health Counselor Training Sessions Conducted	8	6	7
Number of Persons Provided Enrollment Assistance	7,940	7,252	1,567

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

DIVISION OF DIVERSITY AND OPPORTUNITY

La. R.S. 22:31(5) Report by the Division of Diversity & Opportunity

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 now known as the Division of Diversity & Opportunity. This Act provides the regulatory umbrella to assure “equal opportunity in insurance” for the citizens of Louisiana.

The Advisory Committee on Equal Opportunity advises and assists the division in carrying out its duties. Originally comprised of 16 members representing insurers, producers and minorities, the 2013 Legislature expanded membership to 25.

Purpose

The purpose of the Division of Diversity & Opportunity 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 Diversity & Opportunity:

- 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 insurance and 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 Diversity & Opportunity 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 assistant commissioner of the Division of Diversity & Opportunity serves as the twenty-fifth member.

Highlights

- The Division of Diversity & Opportunity responded to 107 inquiries, three of which were requests for assistance with obtaining standard contracts with standard insurers.
- The Division of Diversity & Opportunity worked with the Eighth Episcopal District of African Methodist Episcopal Church (which consists of approximately 115 churches in Louisiana and their congregations) to distribute information created by the Division of Diversity & Opportunity and to assist them in obtaining proper insurance coverage for the church and for the underinsured and uninsured congregations.
- Insurance companies, agencies and other entities have agreed to post vacancies to the LDI's Division of Diversity & Opportunity's website.
- The Division of Diversity & Opportunity participated in seven 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 Diversity & Opportunity continued to work with the Baton Rouge, New Orleans and Shreveport campuses of the Southern University System with their 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 Diversity & Opportunity continued to work with a minority cluster group to provide technical assistance with obtaining contracts with insurance companies and to compete for local, state and federal insurance contracts.
- The Division of Diversity & Opportunity will continue to work with insurance programs at the University of Louisiana Lafayette, University of Louisiana Monroe, and Southern University System to promote their insurance programs.
- The Division of Diversity & Opportunity worked closely with the National Chapter of the National African American Insurance Association to develop opportunities for minorities in insurance and to increase minority participation in Louisiana.
- The Division of Diversity & Opportunity 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 Diversity & Opportunity established the InVest Program at Zachary High School in Zachary, Broadmoor High School and McKinley Senior High in Baton Rouge, St. Augustine High School in New Orleans, and River Oaks High School in Monroe.
- The Division of Diversity & Opportunity also established collegiate InVest Programs at Southern University, Baton Rouge and the University of Louisiana at Monroe.

ACTIVITIES OF THE DIVISION OF DIVERSITY & OPPORTUNITY TABLE 4
THREE-YEAR HISTORY

	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>	<i>Fiscal Year 2014-2015</i>
Producers/Agencies Assisted	32	29	52
Consumer/Producer Complaints/General Information Cases Handled	107	79	92
Training/Seminars Conducted	20	3	2
Training/Seminar Attendees	1,361	674	759
Business Plan Assistance	3	2	1
Producers Assisted with Obtaining Contracts	3	5	9
Students Who Completed InVest Program	127	160	42

Helpful Links

Sign up for Updates from the LDI, www.ldi.la.gov/subscriptions/email-notification-request.

Interactive Homeowner and Auto Insurance Rate Comparison Guide, 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. Viewers can watch informational videos on insurance topics.

The Consumer Advocacy and Medicare Update monthly newsletter, www.ldi.la.gov/consumers/resources-publications/consumer-advocacy/newsletters.

A listing of upcoming LDI meetings, including Office of Consumer Advocacy and Diversity and Senior Health Insurance Information Program presentations across the state of Louisiana, 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

The Office of 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 2017 Regular Legislative Session, the division provided information to the Legislative Fiscal Office for its development of eight fiscal notes. In Fiscal Year 2016-2017, the department tracked and reported on 33 key (quarterly) performance indicators and 12 supporting (semi-annual) performance indicators and provided general performance data in 91 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.

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.

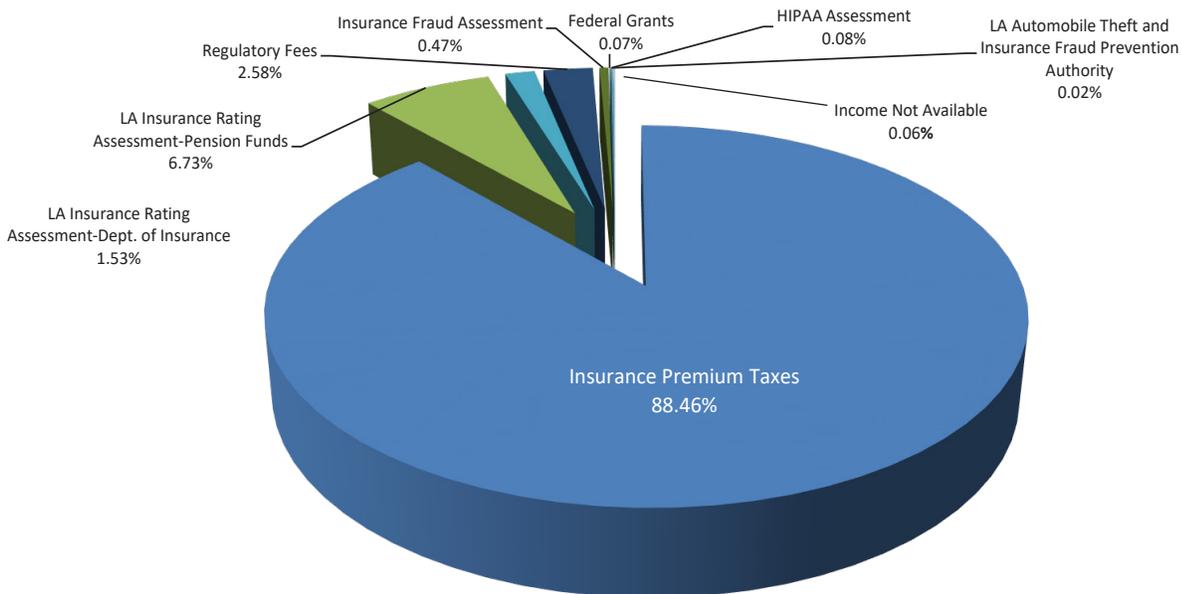
TOTAL DEPARTMENT FUND SOURCES

For Fiscal Year 2016-2017, the Department of Insurance receipts totaled \$1 billion. Insurance Premium Tax represents the largest portion at 88.46 percent, or \$885.5 million. In addition to the Insurance Premium Taxes, the department collections include Pension Fund Assessments (Louisiana Insurance Rating) at 6.73 percent, or \$67.3 million; Regulatory Fees and Louisiana Insurance Rating Assessment at 4.11 percent, or \$41.1 million; and the Insurance Fraud Assessment at 0.47 percent, or \$4.67 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 – \$531,310.09) and Income Not Available represent the bulk of collections at 95.66 percent, or \$957.56 million, and are not used to finance the department’s operations.

The remaining 4.34 percent, or \$43.45 million, represents a combination of regulatory fees and the Louisiana Insurance Rating Assessment, the Health Insurance Portability and Accountability Act Assessment (HIPAA), Federal Grants (Senior Health Insurance Information Program and Premium Rate Review), Insurance Fraud Assessment (LDI portion only – \$531,310.09) and Louisiana Automobile Theft and Insurance Fraud Prevention Authority funds, 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 2016-2017</i>		<i>Fiscal Year 2015-2016</i>	
Insurance Premium Taxes	88.46%	\$885,479,710.44	81.94%	\$529,736,891.35
Louisiana Insurance Rating Assessment - Pension Funds	6.73%	67,328,875.53	10.18%	65,804,779.53
Louisiana Insurance Rating Assessment - Department of Insurance	1.53%	15,323,122.98	3.08%	19,967,513.92
Regulatory Fees and Licenses	2.58%	25,864,555.58	3.81%	24,611,910.20
Insurance Fraud Assessment	0.47%	4,672,480.18	0.60%	3,894,972.81
Federal Grants	0.07%	717,559.00	0.14%	916,516.00
Health Information Portability and Accountability Act Assessment (HIPAA)	0.08%	833,581.27	0.12%	746,519.12
Income Not Available*	0.06%	610,876.47	0.10%	653,283.52
Louisiana Automobile Theft and Insurance Fraud Prevention Authority	0.02%	188,171.00	0.03%	192,409.00
TOTALS	100.0%	\$1,001,018,932.45	100.0%	\$646,524,795.45

*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 \$1 billion collected in Fiscal Year 2016-2017, \$886.1 million was classified as State General Funds and \$115.1 million was used to finance programs. Among the dedicated programs receiving funding were various law enforcement and firefighter retirement programs, which received \$65 million, and Municipal Fire and Police Civil Service, which received \$2.3 million of the funds collected.

The collection of \$43.5 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 (10 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

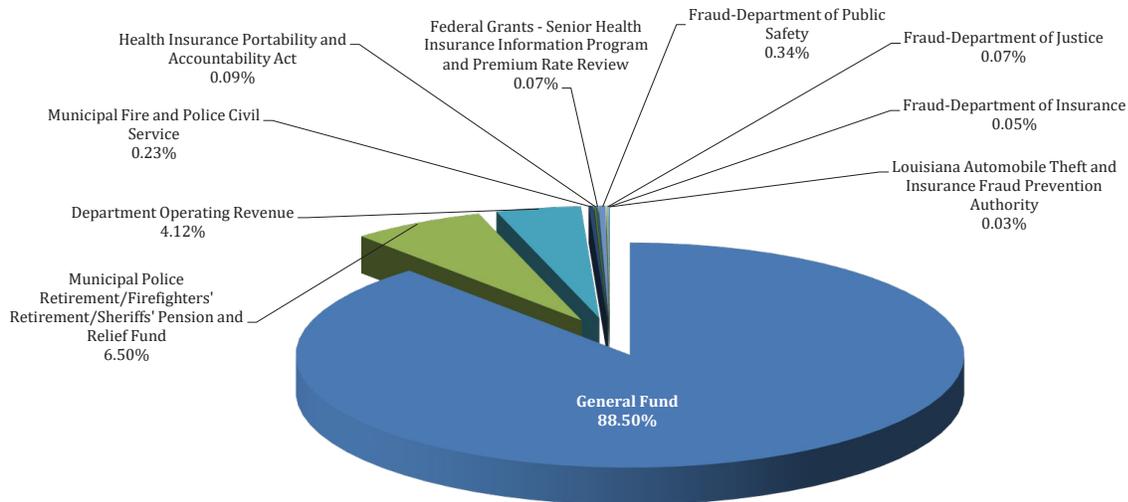


TABLE 6 TOTAL DEPARTMENT COLLECTION OF FUNDS TWO-YEAR HISTORY

	<i>Fiscal Year 2016-2017</i>		<i>Fiscal Year 2015-2016</i>	
General Fund	88.50%	\$886,090,586.91	82.03%	\$530,390,174.87
Municipal Police Retirement/Firefighters' Retirement/Sheriffs' Pension and Relief Fund	6.50%	65,007,190.17	9.82%	63,535,649.18
Department Operating Revenue	4.12%	41,187,678.56	6.90%	44,579,424.12
Municipal Fire and Police Civil Service	0.23%	2,321,685.36	0.35%	2,269,130.35
Health Insurance Portability and Accountability Act	0.09%	940,942.87	0.13%	816,588.60
Federal Grants (Senior Health Insurance Information Program and Premium Rate Review)	0.07%	717,559.00	0.14%	916,516.00
Fraud Assessment: Department of Public Safety	0.34%	3,428,497.87	0.42%	2,712,090.33
Fraud Assessment: Department of Justice	0.07%	712,672.22	0.11%	691,613.19
Fraud Assessment: Department of Insurance	0.05%	531,310.09	0.07%	491,273.00
Louisiana Automobile Theft and Insurance Fraud Prevention Authority	0.03%	256,741.59	0.03%	199,594.86
TOTALS*	100.0%	\$1,001,194,864.64	100.0%	\$646,602,054.50

*Total includes \$175,932.19 of carry forward funds from Fiscal Year 2015-2016. (\$0 of Fraud - Carry Forward and \$68,570.59 of Louisiana Automobile Theft and Insurance Fraud Prevention Authority - Carry Forward and \$107,361.60 of Health Information Portability and Accountability Act.)

STATEMENT OF REVENUES AND EXPENDITURES TABLE 7

<i>Revenues</i>	
Insurance Premium Taxes	\$885,479,710.44
Louisiana Insurance Rating Assessment - Pension Fund	67,328,875.53
Regulatory Fees	25,864,555.58
Louisiana Insurance Rating Assessment - LDI	15,323,122.98
Insurance Fraud Assessment	4,672,480.18
Fraud - Carry Forward from Fiscal Year 2015-2016	0
Health Insurance Portability and Accountability Act Assessment	833,581.27
Health Insurance Portability and Accountability Act - Carry Forward from Fiscal Year 2015-2016	107,361.60
Louisiana Automobile Theft and Insurance Fraud Prevention Authority	188,171.00
Louisiana Automobile Theft and Insurance Fraud Prevention Authority - Carry Forward from Fiscal Year 2015-2016	68,570.59
Federal Grant - Senior Health Insurance Information Program	600,246.00
Federal Grant - Affordable Care Act - Premium Rate Review	117,313.00
Income Not Available	610,876.47
Total Revenues	\$1,001,194,864.64
<i>Expenditures</i>	
Personal Services	\$21,346,890.53
Travel	121,640.23
Operating Services	1,808,479.45
Supplies	117,214.16
Professional Services	3,003,121.28
Other Charges	154,175.90
Capital Outlay	390,869.82
Interagency Transfers	1,804,488.79
Total Expenditures	\$28,746,880.16
<i>Transfer Out</i>	
General Fund	\$886,090,586.91
Reversion to General Fund	13,354,332.06
Municipal Police Retirement/Firefighters' Retirement/Sheriffs' Pension and Relief Fund	65,007,190.17
Municipal Fire and Police Civil Service	2,321,685.36
Insurance Fraud Assessment: Department of Public Safety Department of Justice	3,428,497.87 712,672.22
Budget Reductions: Insurance Fraud Assessment (25,300), Administration (37,499), LATIFPA (9,500)	72,299.00
Total Transfer Out	\$970,987,263.59
<i>Funds Carried Forward Into Fiscal Year 2017-2018</i>	
Insurance Fraud Assessment	\$2.09
Health Insurance Portability and Accountability Act	182,063.11
Louisiana Automobile Theft and Insurance Fraud Prevention Authority	81,716.69
Total Funds Carried Forward	\$263,781.89

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, 2016, this division collected \$646,458,499 in taxes from licensed insurers and \$67,181,354 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. The division also invoices, collects and classifies the annual Louisiana Insurance Rating Assessment, Insurance Fraud Assessment and Health Insurance Portability and Accountability Act Assessment.

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 2016 was .0089 percent of 2015 premiums. As such, the Louisiana Insurance Rating Assessment was \$82,650,585 based on \$9,286,582,627 of premiums, with no credits allowed to domestic or foreign insurers.

The Insurance Fraud Assessment in 2016 was 0.000375 of 2015 premiums. As such, the Insurance Fraud Assessment was \$4,830,343 based on \$9,525,270,494 of property and casualty premiums and \$6,711,285,754 of accident and health premiums.

HISTORICAL DATA

The following schedules indicate an aggregate three-year historical data category presented on a calendar-year basis.

**SURPLUS LINES AND INSURANCE PREMIUM TAX DIVISION
THREE-YEAR HISTORY BY CATEGORY BY CALENDAR YEAR**

TABLE 8

<i>Life, Accident and Health Companies (Including HDMI)</i>			
<i>Year</i>	<i>Gross Premiums</i>	<i>Gross Tax¹</i>	<i>Net Tax²</i>
2016	\$6,680,908,350	150,405,445	100,279,022
2015	6,651,700,981	149,747,260	98,615,229
2014	6,384,980,693	143,748,805	91,368,877
<i>Fire and Casualty Companies</i>			
2016	10,275,343,914	308,420,000	224,069,679
2015	10,014,633,304	300,590,410	216,869,799
2014	10,029,851,516	299,658,400	212,727,760
<i>Health Maintenance Organizations</i>			
2016	7,296,852,075	401,326,864	318,806,731
2015	4,923,076,937	110,770,165	86,283,648
2014	2,565,466,610	57,724,445	32,687,537
<i>Title Companies</i>			
2016	152,070,863	4,565,200	3,303,067
2015	147,987,004	4,442,315	3,121,734
2014	141,796,254	4,257,215	3,052,059
<i>Surplus Lines Producers</i>			
2016	1,385,062,135	67,181,354	67,181,354
2015	1,375,874,400	68,346,399	68,346,399
2014	1,443,801,998	72,190,101	72,190,101
<i>TOTALS</i>			
2016	25,790,237,337	931,898,863	713,639,853
2015	23,113,272,626	633,896,549	473,236,809
2014	20,565,897,071	557,578,966	412,026,334

¹Gross Tax is before statutorily authorized credits.

²Net 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 2016-2017 was the integration of the Department's Premium Tax and Assessment applications into the Regulated Management System (RMS). This integration allows the Tax and Assessment system to communicate within the same application and database structure to the financial and fiscal modules in RMS.

Other projects realized during the fiscal year were:

- Management Finance System - The IT Division updated the online Travel Authorization documents, workflows and approvals and placed them in a more robust application system. Along with the Authorization, the expenses related to the Authorization were united in this system and allows the relationship to the Authorization for budget and fiscal division to aid in tracking and final disbursement expenses.
- Conversion of FileNet image to Microsoft SQL - The IT Division converted the images that accumulated under the IBM P8 FileNet System from 2005 to 2010 to Microsoft SQL. This conversion allows RMS to become the single search point for all attachments including policy forms that were approved during that period.
- Conversion of the operating system for desktops and laptops to Windows 10 - The IT Division replaced the older Windows 7 operating system with the recently released Windows 10 operating system. This conversion combined with the replacement of the spinning disk hard drive with solid-state drives allows faster load time for the boot process and applications running locally on the drive.

The Information Technology Division completed 5,054 service requests from users during Fiscal Year 2016-2017. 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, 2017, the LDI had 228 total employees. Of this total, there were 196 classified and 25 unclassified employees and 7 students. In Fiscal Year 2016-2017, 102 personnel actions were processed to include new hires, separations, promotions, reallocations, etc.

PURCHASING DIVISION

SUPPLIES AND MAINTENANCE

The Purchasing Division maintains office supply inventory and distributes supplies; procures and receives stock and special supplies, equipment, furniture and printing services by using LaGov, the La Carte Card, or by obtaining bids according to state law and purchasing rules and regulations; maintains portable devices for department personnel; maintains photocopiers and fax machines; maintains toner for all departmental printers; maintains IT's hardware and software maintenance; and processes all Requests for Proposals (RFPs) for services needed by the department.

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. To access the LDI's current requests for proposals, see the Consumers tab at the top of the LDI home page.

Strategic Plan 2017-2022, <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

OFFICE OF LICENSING

Producer Licensing Division

The Producer Licensing Division licenses all insurance producers, managing general agents, surplus lines brokers, professional employer organizations, motor vehicle rental companies, consultants, 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 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.
- Imposing regulatory actions, including fines, suspensions and revocations against producers and adjusters for violations of the insurance code.
- Evaluating insurer appointment 'for cause' terminations.
- 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 2016-2017, Louisiana had 129,960 actively licensed producers and 72,007 actively licensed adjusters.

OFFICE OF LICENSING
PRODUCER LICENSING DIVISION

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

	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>	<i>Fiscal Year 2014-2015</i>
Resident Life, Health and Accident Licenses Issued	3,792	3,987	3,011
Nonresident Life, Health and Accident Licenses Issued	11,578	13,804	11,974
Resident Property and Casualty Licenses Issued	1,657	1,917	1,423
Nonresident Property and Casualty Licenses Issued	10,187	10,179	10,502
Claims Adjuster Licenses Issued	17,273	13,943	13,024
Public Adjuster Licenses Issued	72	33	36
Company Appointments Processed	569,627	585,158	572,705
Producer License Renewals Processed	69,714	63,984	63,842
Number of Insurance Exams Monitored	10,908	-	10,058
Continuing Education Course Applications Approved	1,472	1,371	1,555

Since 2003 when Louisiana adopted the National Insurance Producer Registry online licensing process for nonresident producer applications, the vast majority of applicants and licensees are choosing the convenience of electronic processes for applications, renewals and payment of fees.

PERCENTAGE OF PRODUCER AND ADJUSTER APPLICANTS SUBMITTING **TABLE 10**
ELECTRONIC APPLICATIONS

<i>Performance Indicator</i>	<i>Prior Year Actual Fiscal Year 2012-2013</i>	<i>Prior Year Actual Fiscal Year 2013-2014</i>	<i>Prior Year Actual Fiscal Year 2014-2015</i>	<i>Prior Year Actual Fiscal Year 2015-2016</i>	<i>Prior Year Actual Fiscal Year 2016-2017</i>
Percentage of first time applications submitted electronically	86.8%	97.1%	98.5%	99.3%	99.2%
Percentage of renewal applications submitted electronically	97.4%	97.2%	97.5%	98.4%	99.3%

LOUISIANA 1401 LIFE INSURANCE EXAM RESULTS REPORT CALENDAR YEAR 2017

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

l. (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, 2017 to December 31, 2017, 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 voluntarily self-reported by the test takers.

FIRST TIME TAKERS BY GENDER AND FAIL/PASS STATUS **TABLE 11**
CALENDAR YEAR 2017

<i>Gender</i>	<i>Fail</i>	<i>Pass</i>	<i>Total</i>	<i>Percent of Total</i>
Female	604	559	1,163	59.37%
Percent Female	51.93%	48.07%	100.00%	
Percent Fail or Pass	62.66%	56.18%		
Male	347	430	777	39.66%
Percent Male	44.66%	55.43%	100.00%	
Percent Fail or Pass	36.00%	43.22%		
Chose Not to Respond	9	6	15	0.77%
Percent Chose Not to Respond	60.00%	40.00%	100.00%	
Percent Fail or Pass	0.93%	0.60%		
Left Blank	4	0	4	0.20%
Percent Left Blank	100.00%	0.00%	100.00%	
Percent Fail or Pass	0.41%	0.00%		
Total	964	995	1,959	100.00%
Percent Fail or Pass	49.21%	50.79%	100.00%	
Percent of Total	100.00%	100.00%		

FIRST TIME TAKERS BY ETHNICITY AND FAIL/PASS STATUS **TABLE 12**
CALENDAR YEAR 2017

<i>Ethnicity</i>	<i>Fail</i>	<i>Pass</i>	<i>Total</i>	<i>Percent of Total</i>
Asian American/Pacific Islander	11	12	23	1.17%
Percent Asian Americans/Pacific Islanders	47.83%	52.17%	100.00%	
Percent Fail or Pass	1.14%	1.21%		
Black/African-American	660	450	1,110	56.66%
Percent Blacks/African-Americans	59.46%	40.54%	100.00%	
Percent Fail or Pass	68.46%	45.23%		
Hispanic/Latin American	34	20	54	2.76%
Percent Hispanics/Latin Americans	62.96%	37.04%	100.00%	
Percent Fail or Pass	3.53%	2.01%		
Native American	1	5	6	0.31%
Percent Native Americans	16.67%	83.33%	100.00%	
Percent Fail or Pass	0.10%	0.50%		
Caucasian/White (non-Hispanic)	232	494	726	37.06%
Percent Caucasians/Whites (non-Hispanic)	31.96%	68.04%	100.00%	
Percent Fail or Pass	24.07%	49.65%		
Chose Not to Respond	22	14	36	1.84%
Percent Chose Not to Respond	61.11%	38.89%	100.00%	
Percent Fail or Pass	2.28%	1.41%		
Left Blank	4	0	4	0.20%
Percent Left Blank	100%	0.00%	100.00%	
Percent Fail or Pass	0.41%	0.00%		
Total	964	995	1,959	100.00%
Percent Fail or Pass	49.21%	50.79%	100.00%	
Percent of Total	100.00%	100.00%		

OFFICE OF LICENSING

LOUISIANA 1401 LIFE INSURANCE EXAM RESULTS REPORT

**TABLE 13 FIRST TIME TAKERS BY ETHNICITY, GENDER AND FAIL/PASS STATUS
CALENDAR YEAR 2017**

<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	7	4	0	0	11
Percent Asian Americans/Pacific Islanders Who Failed	63.63%	36.36%	0.0%	0.0%	100.0%
Percent Gender Group Who Failed	1.16%	1.15%	0.0%	0.0%	
Black/African-American	436	221	3	0	660
Percent Blacks/African-Americans Who Failed	66.06%	33.49%	0.45%	0.0%	100.0%
Percent Gender Group Who Failed	72.19%	63.69%	33.33%	0.0%	
Hispanic/Latin American	20	14	0	0	34
Percent Hispanics/Latin Americans Who Failed	58.82%	41.18%	0.0%	0.0%	100.0%
Percent Gender Group Who Failed	3.31%	4.03%	0.0%	0.0%	
Native American	0	1	0	0	1
Percent Native Americans Who Failed	0.0%	100.0%	0.0%	0.0%	100.0%
Percent Gender Group Who Failed	0.0%	0.29%	0.0%	0.0%	
Caucasian/White (non-Hispanic)	130	102	0	0	232
Percent Caucasians/Whites (non-Hispanic) Who Failed	56.03%	43.97%	0.0%	0.0%	100.0%
Percent Gender Group Who Failed	21.52%	29.39%	0.0%	0.0%	
Chose Not to Respond	11	5	6	0	22
Percent Chose Not to Respond Who Failed	50.0%	22.73%	27.27%	0.0%	100.0%
Percent Gender Group Who Failed	1.82%	1.44%	66.67%	0.0%	
Left Blank	0	0	0	4	4
Percent Left Blank 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%	
Totals	604	347	9	4	964

<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	5	0	0	12
Percent Asian Americans/Pacific Islanders Who Passed	58.33%	41.67%	0.0%	0.0%	100.0%
Percent Gender Group Who Passed	1.25%	1.16%	0.0%	0.0%	
Black/African-American	290	158	2	0	450
Percent Blacks/African-Americans Who Passed	64.44%	35.11%	0.45%	0.0%	100.0%
Percent Gender Group Who Passed	51.88%	36.74%	33.33%	0.0%	
Hispanic/Latin American	11	9	0	0	20
Percent Hispanics/Latin Americans Who Passed	55.0%	45.0%	0.0%	0.0%	100.0%
Percent Gender Group Who Passed	1.97%	2.09%	0.0%	0.0%	
Native American	2	3	0	0	5
Percent Native Americans Who Passed	40.0%	60.0%	0.0%	0.0%	100.0%
Percent Gender Group Who Passed	0.36%	0.70%	0.0%	0.0%	
Caucasian/White (non-Hispanic)	241	252	1	0	494
Percent Caucasians/Whites (non-Hispanic) Who Passed	48.79%	51.01%	0.20%	0.0%	100.0%
Percent Gender Group Who Passed	43.11%	58.60%	16.67%	0.0%	
Chose Not to Respond	8	3	3	0	14
Percent Chose Not to Respond Who Passed	57.14%	21.43%	21.43%	0.0%	100.0%
Percent Gender Group Who Passed	1.43%	0.70%	50.0%	0.0%	
Left Blank	0	0	0	0	0
Percent Left Blank Who Passed	0.0%	0.0%	0.0%	0.0%	100.0%
Percent Gender Group Who Passed	0.0%	0.0%	0.0%	0.0%	
Totals	559	430	6	0	995

FIRST TIME TAKERS BY HIGHEST LEVEL OF EDUCATION AND FAIL/PASS STATUS **TABLE 14**
CALENDAR YEAR 2017

<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	281 62.72% 29.15%	167 37.28% 16.78%	448 100.00%	22.87%
Some College Percent of this Education Level Percent of Fail or Pass	408 52.44% 42.32%	370 47.56% 37.19%	778 100.00%	39.71%
Two-Year College Degree (Associate Degree) Percent of this Education Level Percent of Fail or Pass	103 53.93% 10.68%	88 46.07% 8.84%	191 100.00%	9.75%
Four-Year College Degree (Bachelor's Degree) Percent of this Education Level Percent of Fail or Pass	114 30.98% 11.83%	254 69.02% 25.53%	368 100.00%	18.79%
Advanced Degree (Master's Degree or Doctorate) Percent of this Education Level Percent of Fail or Pass	32 24.24% 3.32%	100 75.76% 10.05%	132 100.00%	6.74%
Chose Not to Respond Percent Chose Not to Respond Percent of Fail or Pass	26 61.90% 2.69%	16 38.10% 1.6%	42 100.00%	2.14%
Totals	964	995	1,959	100.0%

FIRST TIME TAKERS BY PRIMARY LANGUAGE AND FAIL/PASS STATUS **TABLE 15**
CALENDAR YEAR 2017

<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	903 48.29% 93.67%	967 51.71% 97.19%	1,870 100.0%	95.46%
Spanish Percent of Spanish Language Percent of Fail or Pass	15 68.18% 1.56%	7 31.82% 0.70%	22 100.0%	1.12%
Chinese Percent of Chinese Language Percent of Fail or Pass	4 57.14% 0.41%	3 42.86% 0.30%	7 100.0%	0.36%
Other Percent of Other Language Percent of Fail or Pass	8 66.67% 0.83%	4 33.33% 0.40%	12 100.0%	0.61%
Chose Not to Respond Percent of Chose Not to Respond Percent of Fail or Pass	34 70.83% 3.52%	14 29.17% 1.40%	48 100.0%	2.45%
Totals	964	995	1,959	100.0%

COMPANY LICENSING DIVISION

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. This division also processes applications for eligibility of surplus lines insurers, independent review organizations, utilization 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 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 and other regulatory actions 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
COMPANY LICENSING DIVISION

ACTIVITIES OF COMPANY LICENSING TABLE 16

	<i>Number Received</i>	<i>Number Approved</i>	<i>Number Disapproved</i>	<i>Number Withdrawn</i>	<i>Number Pending</i>
Domestic					
Captives	0	0	0	0	0
Certificates of Authority (Initial)	4	2	0	1	1
Dissolutions	1	1	0	0	0
Acquisitions/Mergers	2	2	0	0	0
Form A Exemption Requests	12	6	1	1	4
Regulation 66 Requests	166	123	5	1	37
Letters of No Objection to Expansion	3	3	0	0	0
Health Maintenance Organization Service Area Expansions	0	0	0	0	0
Mutual Holding Company Conversions	0	0	0	0	0
Article Amendments	9	9	0	0	0
Subtotal	197	146	6	3	42
Foreign					
Certificates of Authority (Initial)	30	11	0	5	14
Surplus Lines Approvals (Initial)	3	1	0	0	2
Accredited Reinsurers	1	0	0	1	0
Mergers	15	13	2	0	0
Withdrawals	13	11	0	0	2
Acquisitions	34	31	0	0	3
Subtotal	96	67	2	6	21
Domestic, Foreign and Alien					
Third Party Administrator Exceptions	0	0	0	0	0
Third Party Administrator Applications	25	16	1	1	7
Risk Purchasing Groups	23	14	1	0	8
Risk Retention Groups	9	5	1	0	3
Medical Discounts Plans	13	4	1	1	7
Dental Referral Plans	2	2	0	0	0
Viatical Settlement Brokers	1	1	0	0	0
Viatical Settlement Providers	2	1	0	0	1
Security Registrations	1	1	0	0	0
Utilization Review Organizations Applications	16	8	1	3	4
Independent Review Organizations Applications	8	6	0	1	1
Specialty Insurers - Vehicle Mechanical Breakdown Insurers	4	2	0	0	2
Amendments of Certificate of Authority/Article Amendments	94	81	2	4	7
Adding Lines to Certificate of Authority	20	14	0	0	6
Certificates of Compliance	68	67	0	1	0
Home Service Contract Providers	0	0	0	0	0
Viatical Investment Agents	1	0	1	0	0
Subtotal	287	222	8	11	46
TOTALS	580	435	16	20	109

OFFICE OF LICENSING
COMPANY LICENSING DIVISION

**TABLE 17 ENTITIES LICENSED OR REGISTERED AT FISCAL YEAR-END
THREE-YEAR HISTORY**

	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>	<i>Fiscal Year 2014-2015</i>
Risk Bearing			
Domestic			
Domestic Insurers	94	93	91
Domestic Health Maintenance Organizations	12	12	13
Captives	2	2	2
Total Domestics	108	107	106
Non-Domiciliary			
Foreign/Alien Insurers Admitted	1,307	1,302	1,314
Surplus Lines (estimated)	184	188	184
Total Non-Domiciliaries	1,491	1,490	1,498
Other			
Risk Retention Groups	86	81	82
Vehicle Mechanical Breakdowns	61	53	50
Accredited Reinsurers	13	13	13
Property Residual Values	2	2	2
Multiple Employer Welfare Arrangements	1	1	1
Total Other	163	150	148
TOTAL RISK BEARING	1,762	1,747	1,752
Non-Risk Bearing			
Third Party Administrators	368	362	364
Risk Purchasing Groups	226	213	319
Utilization Review Organizations	70	54	19
Discount Medical Plans	26	25	24
Viatical Settlement Providers	14	13	12
Independent Review Organizations	12	11	11
Home Service Contract Providers	2	10	15
Viatical Settlement Brokers	7	5	7
Security Registrations	1	1	3
Dental Referral Plans	3	4	4
Viatical Investment Agents	0	0	0
TOTAL NON-RISK BEARING	729	698	778
TOTALS	2,491	2,445	2,530

HELPFUL LINKS

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

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

Agent and Adjuster Search, www.lidi.la.gov/onlineservices/ProducerAdjusterSearch/.

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Office of Health, Life and Annuity

OFFICE OF HEALTH, LIFE & ANNUITY

The Office of Health, Life and Annuity consolidates the regulation of state and federal requirements applicable to commercial and government-operated health benefit plans. This office provides protection to Louisiana consumers, oversees statutory and regulatory compliance of health benefit plans and recommends public policy changes to improve the competitive market and consumers' access to health insurance.

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.

Table 18 includes rates that are not subject to review, rates found reasonable or unreasonable, as well as rate filings that were disapproved or withdrawn.

TABLE 18 **ACTIVITIES OF THE PREMIUM RATE REVIEW DIVISION**

Rates Received	57
Rates Not Subject to Review	0
Reasonable Findings	62
Unreasonable Findings	0
Rates Disapproved	0
Filings Withdrawn	5

One form filing was submitted by Louisiana Health Service & Indemnity Company without the necessary rate information; the filing was withdrawn to be resubmitted at a later time with forms and rates in the same filing. Five Aetna rate filings were submitted with the intention of filing forms at a later date; the filings were withdrawn to be submitted within the form filings.

HEALTH FORMS DIVISION

All health product forms, including both major medical and supplemental, limited or excepted benefit products, are reviewed by personnel in the Health Forms Division. The personnel in the Health Forms Division also conduct reviews of organizations responsible for internal claims and appeals and external reviews.

The Health 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 Health Forms Division performs detailed analysis 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 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, 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 19 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 19 may not reconcile. Moreover, the same circumstances may also impact forms that are reported as pending.

OFFICE OF HEALTH, LIFE & ANNUITY
HEALTH FORMS DIVISION

TABLE 19 ACTIVITIES OF THE HEALTH FORMS DIVISION
THREE-YEAR HISTORY

	<i>Fiscal Year</i> 2016-2017	<i>Fiscal Year</i> 2015-2016	<i>Fiscal Year</i> 2014-2015
Policy Forms, Advertisements and Rates Received			
Forms Received	3,287	3,661	5,118
Advertisements Received	550	804	649
Rate Forms Received	1,218	1,262	1,464
TOTALS	5,055	5,727	7,231
Policy Forms, Advertisements and Rates Processed			
Approved	4,936	4,629	5,775
Accepted/Filed	174	191	331
Acknowledged/Informational	41	107	145
Disapproved	252	378	882
Withdrawn by Company	168	194	583
TOTAL PROCESSED	5,571	5,499	7,716
Policy Forms, Advertisements and Rates Pending			
All Health Policy Forms, Advertisements and Rate Filings Pending at End of Fiscal Year	711	964	910

HEALTH FORM FILINGS RECEIVED BY COVERAGE TYPE **TABLE 20**
THREE-YEAR HISTORY

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

	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>	<i>Fiscal Year 2014-2015</i>
Comprehensive Coverage Types			
Major Medical	524	579	1,378
Health Maintenance Organization	601	572	918
Short-Term Major Medical	17	39	60
Limited Benefit Coverage Types			
Medicare Supplement/Select	1,271	1,551	1,252
Disability	504	434	518
Dental	393	567	771
Hospital Indemnity	232	193	412
Accident Only	420	474	446
Cancer/Dread Disease	141	134	350
Miscellaneous	475	736	599
Accidental Death/Dismemberment	110	161	175
Critical Illness	236	158	231
Vision	131	129	121
TOTALS	5,055	5,727	7,231

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, Life and Annuity also has the authority to conduct retrospective reviews of previously approved filings to determine compliance with applicable law and take 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 2016 Calendar Year which were subject to assessment totaled \$5,551,987,309. These premiums were assessed at .00015 percent. A total of \$832,790.16 was collected from 34 health insurance issuers.

OFFICE OF HEALTH, LIFE & ANNUITY
HEALTH FORMS DIVISION

In addition to its detailed analyses and review of the policy forms and advertising of regulated entities, the Health Forms Division oversees the review and approval process for the licensure of independent review organizations and utilization review organizations. While the Licensing Division issues independent review organization and utilization review organization licenses, the Office of Health, Life and Annuity plays a pivotal role in the review of applications by examining the affairs of the independent review organization and utilization review organization.

TABLE 21 **INDEPENDENT REVIEW ORGANIZATIONS AND UTILIZATION REVIEW ORGANIZATIONS**

Independent Review Organization Applications Received	6
Independent Review Organization Applications Approved	6
Independent Review Organization Applications Pending Final Action	0
Utilization Review Organization Applications Received	15
Utilization Review Organization Applications Approved	20
Utilization Review Organization Applications Pending Final Action	3

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 organization filings represented about 53 percent of all comprehensive coverage forms and about 11.8 percent of all filings reviewed by the Office of Health, Life and Annuity (see Table 20 on page 41).

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.

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. An annual report is submitted 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

September 2016

The first meeting of the fiscal year for the Louisiana Health Care Commission was held on September 16, 2016.

The program director of the Louisiana Health Care Quality Forum (LHCQF) presented on the Louisiana Health Information Exchange and the Louisiana Department of Health's Electronic Health Record Incentive Plan. She reported that with the passage of the American Reinvestment and Recovery Act by President Obama in 2009, funding was granted for health care information technology. The first grant was used to fund the building of a statewide health information exchange, and the second grant established the Louisiana Regional Extension Center to assist providers with primary care independent practices to implement a new health care infrastructure defined as "Meaningful Use"(MU). MU is promulgated by the Centers for

OFFICE OF HEALTH INSURANCE
LOUISIANA HEALTH CARE COMMISSION

Medicare and Medicaid Services for providers' use of certified electronic health record (EHR) technology in ways that measurably improve patients' quality and value. The program director further reported that last year, in conjunction with work of the Office of Public Health, 70 statewide parish health units have made the successful transition to electronic health records, managing thousands of patients within a single system.

Next, the president and co-founder of Turn Key Solutions, L.L.C., presented on the role of cybersecurity in health care. Since the high-profile data breach against the nation's second largest insurer, Anthem, followed by a rapid succession of other business organizations victimized by security hacks in 2015, he reported businesses are now faced with evolving security threats against their networks and they must have a risk management plan in place.

He recommended a five-step risk management process:

1. IDENTIFICATION of Risk Areas – such as insufficient backups, incomplete antivirus protection, disgruntled employees and mobile devices
2. ASSESSMENT of Risks – Do a real risk assessment that involves your staff, not limited to IT
3. CREATION of a Risk Management Plan prioritizing risks
4. IMPLEMENTATION of risk controls
5. PERIODIC RE-EVALUATION of the success of implemented safety measures

He also recommended an extra layer of defense for the security of electronic data in the form of cyber liability insurance that covers cyber risks such as identity theft, business interruption and other expenses related to security or privacy breaches.

November 4, 2016

The next meeting of the Louisiana Health Care Commission was held on November 4, 2016.

The chief medical officer of the Louisiana Department of Health and Hospitals stated Louisiana ranks 50th in the country in overall health, and reported poverty to be the top social determinant affecting the quality of health care in Louisiana. She recommended the following five-step strategy to improve the state's ranking:

1. Improve Access Through Expansion
2. Assess Expansion
3. Engage Stakeholders in Quality
4. Define Quality Targets
5. Integrate Quality, Transparency & Benchmarks

Next, the CMO provided an overview of Medicaid expansion results. She reported that 331,000 new adults signed up for Medicaid expansion since July 1, resulting in:

- 29,568 preventative health check-ups
- 2,661 women screened for breast cancer, with 25 diagnosed
- 2,132 adults received a colonoscopy; 537 patients had polyps removed and 20 patients were diagnosed with colon cancer
- 923 adults treated for hypertension

OFFICE OF HEALTH, LIFE & ANNUITY
LOUISIANA HEALTH CARE COMMISSION

Next, the president and CEO of the Franciscan Health and Wellness of Franciscan Missionaries of Our Lady Health System (FMOLHS) presented on the *Cost Effectiveness of Preventive Health*. The CEO reported that FMOLHS provides care to over 40 percent of the state's population. With health care reform, a new business model went into effect compelling FMOLHS to formulate other skills and competencies to care for communities to manage risks and diverse groups of people. Since the program's implementation, FMOLHS has achieved over \$20 million in savings within five years going into the sixth year with flat premium rates for open enrollment and reduced risks and costs to improve the overall quality of health care.

The CEO also reported on the success of the Healthy Lives Program achieved through participation incentives, outcome incentives, linked to employer and community activities, customized for each population and automated incentive management. She stated the program is managed by focusing on health wellness and at-risk groups with special emphasis on preventive care, nutrition, exercise and avoiding chronic disease by working closely with primary care physicians and health coaches.

February 3, 2017

The next meeting of the Louisiana Health Care Commission was held on February 3, 2017.

Following the introduction of new commission members, the healthcare economist and exchange coordinator for Blue Cross and Blue Shield of Louisiana (BCBS) presented an overview of the individual health insurance market. He reported that during 2014-2015, BCBS of Louisiana lost \$200 million on individual products and yielded \$200 million less in premiums than paid out in claims in the new individual marketplace in 2015.

He also reported there to be an 80 percent higher claims cost in 2014 with an ACA population:

- Twice as likely to be obese
- Twice as likely to suffer from substance abuse
- Two-and-a-half times more likely to visit an emergency room
- Two-and-a-half times more likely to suffer from Hepatitis C
- Three-and-a-half times more likely to suffer from HIV
- 67 percent more likely to be diabetic
- 50 percent more likely to suffer from depression
- 50 percent more likely to visit an urgent care center
- 21 percent more likely to be hypertensive

He also discussed health care reform. He opined that repealing Obamacare, in whole, would be disruptive; guaranteed issued coverage should be maintained; elimination of the individual mandate would drive up costs; and elimination of the employer mandate would result in additional people seeking individual coverage or Medicaid.

The senior legislative aide to Senator Bill Cassidy presented *A State Alternative to Obamacare*. He underscored the importance of three core values moving forward into 2017:

- Provide health care coverage to the uninsured
- If you like what coverage you have you can keep it
- Respect states' rights giving states options and choices with respect to individual health care and include states in the repeal and replacement process

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LOUISIANA HEALTH CARE COMMISSION

A Louisiana Health Care Commission member representative from The League of Women Voters of Louisiana made a presentation. She stated that the League's health care policy position for both the United States and Louisiana are not based on the ability of a patient to pay for services but for a basic level of quality care at an affordable cost. She stated the League opposes a strictly private market-based financing model solely administered by the private sector and supports a combination of private and public or federal, state and health care resources, based on the urgency of the patient's medical condition, life expectancy, expected outcome of treatment, cost of procedure, duration of care, quality of life and wishes of the patient/family. She further stated the League supports the improvement of the Affordable Care Act and not repeal.

May 5, 2017

At the final meeting of the fiscal year the policy director for the Partnership to Fight Chronic Disease (PFCD) reported the following:

- Approximately 3 million people have at least one chronic condition
- Between 2017 and 2030, an estimated 12 billion in hidden medical costs that will siphon away income from families in terms of wages, employers and the economy at large
- Without change, it will cost \$8,600 per person in the state of Louisiana

When considering heart disease and stroke to be the top chronic diseases, the World Health Organization estimates that 80 percent of premature heart disease and Type 2 Diabetes could be prevented by focusing on four risk factors:

1. Tobacco use
2. Excessive alcohol consumption
3. Unhealthy eating
4. Obesity
5. Physical inactivity

In conclusion, the CEO of Louisiana Association of Health Plans presented legislation on the 2017 Legislative Session.

EXECUTIVE COMMITTEE

The executive committee for the Louisiana 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 three meetings via conference call during this reporting period.

HEALTH CARE AND PHARMACEUTICAL COSTS WORK GROUP

The Pharmaceutical Drug Cost Working Group of the Louisiana Health Care Commission was renamed the Health Care and Pharmaceutical Costs Work Group at the beginning of 2016 in order to broaden the study to examining the rising costs of health care in general, including, but not limited to, pharmaceutical and prescription drugs.

The work group met several times during 2016 to further narrow these topics and identify the largest source of costs in health care.

Initially, the work group members present asked for a list of discussed topics/issues to be distributed so that participants could begin the process of gathering data and other resources, including bringing in other participants, or recommending participants or other sources of information.

The following list is a comprehensive list of the topics that were discussed, some in more detail than others. The inclusion of any one topic does not require that it necessarily be pursued further, nor does the exclusion of any topic remove it from future consideration.

TOPICS/ISSUES

- Technology costs in health care services and proof of improved quality outcomes and/or costs, and other foundations for a cost-benefit analysis of new technologies.
- Shortage of health care providers at all levels, including physicians, and a discussion on medical schools and admission requirements on overall competition and supply; effect of Medicaid expansion in Louisiana and other states, along with the decrease in uninsured; health care provider supply shortages; longer life expectancy; and utilization management.
- Insurance and non-insurance fraud in health care.
- Identification of the half-dozen or so largest “bubbles” in costs of health care goods and services and the reasons behind the cost bubbles.
- A cost-benefit analysis of wellness programs and the identification of strategies that have successfully reduced costs by encouraging healthier behavior or adherence to prescribed medications, and other positive outcomes.
- Specialty drugs and generic drugs: costs and supply issues.
- Compounding pharmacies and their products, and the effect on market prices.
- Use of unapproved drugs and the unapproved use of approved drugs.
- Merger of hospitals and the merger of insurers on prices.
- Strategies to reduce over-utilization of health care goods and services, and possible effect of increased cost-sharing to reduce utilization.
- Upward price costs for insurance premiums as a direct result of the Affordable Care Act.
- Long term cost benefit of consulting and working with patients.
- How health care costs affect small businesses.
- Cost of treating chronic diseases and inevitable readmission and the role preventive care could play in reducing those costs; study how cost savings are measured.

Given how broad the topic of health care costs is, the work group plans to continue to identify sources of health care costs and gather as much data and expertise as possible from both our work group members and outside experts. The ultimate goal will be to bring some reasonable recommendations forward to the commission, to Commissioner Donelon and to our legislators through the LHCC's next Annual Report to the Legislature.

ANNUAL HEALTH CARE CONFERENCE

The Annual Health Care Conference was held on September 7, 2017 at the Renaissance Baton Rouge Hotel. The event showcased the Louisiana Health Care Commission's 25-year milestone of dedicated service by its commission members. A diverse audience of more than 400 attendees representing health plan executives and staff, health care providers, insurance producers, government officials, employers, health care attorneys, and government relations professionals were in attendance from Louisiana and other states. Local and national experts addressed the state of the health care market in Louisiana; the prevalence of opioid abuse and steps being taken to curb this public health crisis; the cost of chronic disease treatment and current issues facing insurance agents.

The conference was opened by the LHCC Chairman Dr. John Fraiche of St. Elizabeth's Hospital and was then turned over to Moderator Donna Fraiche, Senior Counsel of Baker, Donelson, who provided an insightful overview of the evolution of health care over the last 25 years.

U.S. Senator Bill Cassidy also joined the conference via Skype and gave a highly anticipated update on health care reform efforts from Washington, D.C.

Rear Admiral Pamela M. Schweitzer, Pharm.D, BCACP, Chief Pharmacist Officer and Assistant Surgeon General for the U.S. Public Health Service, delivered a keynote speech of public service motivation and acknowledged the ongoing contributions and efforts being made by the U.S. Public Health Service Commissioned Corps and its mission to protect and promote the advance of the health and safety of our nation. She stressed the significance of personal and professional responsibility with the use of opioids and the importance of collaborative efforts and partnerships being made among the health care continuum-- with involvement of key stakeholders and communities at-large-- to curb the opioid abuse epidemic.

PowerPoint presentations and video from the Health Care Conference can be found at www.lhi.la.gov/healthconference.

LIFE, ANNUITY AND LONG-TERM CARE DIVISION

Pursuant to La. R.S. 22:861, the Life, Annuity and Long-Term Care Division reviews and approves or disapproves policy forms marketed and sold in Louisiana.

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.

**TABLE 22 ACTIVITIES OF THE LIFE, ANNUITY AND LONG-TERM CARE DIVISION
THREE-YEAR HISTORY**

	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>	<i>Fiscal Year 2014-2015</i>
Policy Forms, Annual Certifications, Advertisements and Rates Received			
Forms Received	3,341	2,858	3,889
Advertisements Received	141	162	217
Rates Received	160	220	195
TOTALS	3,642	3,240	4,301
Policy Forms, Annual Certifications , Advertisements and Rates Processed			
Approved	3,841	3,706	3,717
Accepted/Filed	2	4	4
Acknowledged/Informational	554	632	401
Disapproved	11	147	166
Withdrawn by Company	131	217	128
Departmental Withdrawal of Approval	0	0	0
TOTAL PROCESSED	4,539	4,706	4,416

OFFICE OF HEALTH, LIFE & ANNUITY
LIFE, ANNUITY AND LONG-TERM CARE DIVISION

LIFE, ANNUITY AND LONG-TERM CARE FORMS RECEIVED BY COVERAGE TYPE **TABLE 23**
THREE-YEAR HISTORY

	<i>Fiscal Year</i> 2016-2017	<i>Fiscal Year</i> 2015-2016	<i>Fiscal Year</i> 2014-2015
Life Insurance Coverage Types			
Adjustable Life	208	244	379
Credit Life	7	26	29
Endowment	2	1	12
Term Life	407	391	722
Variable Life	40	112	115
Whole Life	305	313	359
Life Other/Special	794	518	763
Annuity Coverage Types			
Annuities	1,262	988	1,055
Equity Indexed Annuities	267	203	255
Long-Term Care / Viatical Settlement			
Long-Term Care	301	414	586
Vitatical Settlement	49	30	26
TOTALS	3,642	3,240	4,301

HELPFUL LINKS

“Health Care Resources for the Uninsured” brochures, www.lidi.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 populations of the Acadiana, Central, Greater Baton Rouge, Houma, New Orleans, Northeast, Northshore, Northwest and Southwest regions.

Coverage to Care resources, <https://www.cms.gov/About-CMS/Agency-Information/OMH/OMH-Coverage2Care.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.

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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 and 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 17 financial examinations in Fiscal Year 2016-2017.

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 195 companies in Fiscal Year 2016-2017.

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 (“Program”) was created by the Louisiana Legislature in 2007 (Act 447) 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 Corporation (“Citizens”).

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, 2016 – June 30, 2017, the Office of Financial Solvency audited the Louisiana premium reported written between April 1, 2012 and March 31, 2013 by one participating insurer: Companion Property and Casualty Insurance Company (“Companion”). The Office of Financial Solvency determined Companion earned \$204,275.01, or 10.2% of its original \$2 million grant amount. The earning of the grant funds by Companion concludes the Program.

TABLE 24 **GRANT RECIPIENT PREMIUM AUDITED**

	<i>Audited 2016-2017</i>	<i>Program to Date</i>
Total	\$6,719,637.00	\$753,321,166.38
On property located in Gulf Opportunity Zone	\$6,546,545.00	\$723,403,968.33
On property previously insured by Citizens	\$135,197.00	\$217,036,620.81
On property located in Gulf Opportunity Zone and previously insured by Citizens	\$135,197.00	\$209,577,776.06

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 (Citizens). 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 three divisions in operation:

- Property and Casualty Rating Division
- Property and Casualty Forms 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 analysis does not support a proposed rate change, the rate filing will be disapproved. Additionally, if the Property and Casualty Rating Division finds that a proposed rule is not in compliance with 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 insurance company can appeal the commissioner’s decision to disapprove a rate or rule filing.

The Actuarial Division (within the Office of Financial Solvency) reviews all property and casualty rate filings, and rule filings that may result in a rate or premium impact. The Actuarial Division then provides a written recommendation to the Property and Casualty Rating Division for each filing reviewed. Actuarial review may result in a company’s filing being amended to a lesser or greater percentage change.

Table 25 on page 59 represents actions taken by the Office of Property and Casualty on all rate, rule and informational filings for the current and the prior two fiscal years. The table categorizes the total number of filings as either “Reviewed by Actuarial,” “Not Reviewed by Actuarial” or “Other Than Rate Filings.” The identified actions taken by the Office of Property and Casualty on these filings are “Acknowledged,” “Approved,” “Disapproved” or “Withdrawn” (by the company before the Office of Property and Casualty issues a dispositive decision).

PROPERTY AND CASUALTY LINE FILINGS TABLE 25
THREE-YEAR HISTORY

All Lines 7/1/2016 to 6/30/2017				
<i>Filing Disposition</i>	<i>P&C Filings Received ¹</i>	<i>Rate Filings Reviewed ²</i>	<i>Rate Filings Not Reviewed ³</i>	<i>All Filings Reviewed Other Than Rate Filings</i>
Acknowledged	47	0	42	5
Approved	2,058	551	143	1,364
Disapproved	159	41	16	102
Withdrawn	190	40	4	146
TOTALS	2,454	632	205	1,617
All Lines 7/1/2015 to 6/30/2016				
<i>Filing Disposition</i>	<i>P&C Filings Received ¹</i>	<i>Rate Filings Reviewed ²</i>	<i>Rate Filings Not Reviewed ³</i>	<i>All Filings Reviewed Other Than Rate Filings</i>
Acknowledged	40	0	37	3
Approved	1,945	530	103	1,312
Disapproved	158	34	2	122
Withdrawn	151	38	4	109
TOTALS	2,294	602	146	1,546
All Lines 7/1/2014 to 6/30/2015				
<i>Filing Disposition</i>	<i>P&C Filings Received ¹</i>	<i>Rate Filings Reviewed ²</i>	<i>Rate Filings Not Reviewed ³</i>	<i>All Filings Reviewed Other Than Rate Filings</i>
Acknowledged	105	0	103	2
Approved	2,126	619	289	1,218
Disapproved	124	38	3	83
Withdrawn	175	51	8	116
TOTALS	2,530	708	403	1,419

1. Includes rate, rule or informational filings of all types for property and casualty lines regulated under La. R.S. 22:1451 et seq. and includes Workers' Compensation Group Self-Insured Fund rate filings received in accordance with La. R.S. 23:1191 et seq. and Regulation 42.

2. Includes only rate filings for property and casualty lines regulated under La. R.S. 22:1451 et seq. (referred to as "Modified Prior Approval") and includes Workers' Compensation Group Self-Insured Fund rate filings received in accordance with La. R.S. 23:1191 et seq. and Regulation 42. It does not include rate filings made in accordance with La. R.S. 22:1464(E), 1464(A)(1) or 1451(D) (referred to, respectively, as "Consent-to-Rate," "Individually Risk Rated" and "Commercial Informational").

3. Rate filings made in accordance with La. R.S. 22:1464(E), 1464(A)(1) or 1451(D). These filings may be reviewed for minimal statutory compliance and are not reviewed by the Actuarial Division.

Table 26 on page 60 summarizes rate filings reviewed by the Actuarial Division over the current and the prior two fiscal years. This table displays the action taken on all rate filings reviewed by the Actuarial Division and the market impact of these filings as requested by the filing company compared to the market impact of these rate filings as approved by the Office of Property and Casualty.

OFFICE OF PROPERTY AND CASUALTY
PROPERTY AND CASUALTY RATING DIVISION

**TABLE 26 RATE FILINGS DOLLAR IMPACT
 THREE-YEAR HISTORY**

All Lines 7/1/2016 to 6/30/2017				
<i>Filing Disposition</i>	<i>Rate Filings Reviewed ¹</i>	<i>Percent of Total Rate Filings Reviewed</i>	<i>Requested Dollar Impact of Rate Filings</i>	<i>Approved Dollar Impact of Rate Filings</i>
Disapproved	41	6%	\$23,393,005	\$0
Total Approved	551	88%	\$514,465,151	\$497,008,669
Approved with Amended Rate Request ²	111	18%	\$250,132,814	\$232,675,745
All Other Approvals	440	70%	\$264,332,337	\$264,332,924
Withdrawn	40	6%	\$107,528,739	\$0
TOTALS	632	100%	\$645,386,895	\$497,008,669
All Lines 7/1/2015 to 6/30/2016				
<i>Filing Disposition</i>	<i>Rate Filings Reviewed ¹</i>	<i>Percent of Total Rate Filings Reviewed</i>	<i>Requested Dollar Impact of Rate Filings</i>	<i>Approved Dollar Impact of Rate Filings</i>
Disapproved	34	6%	\$2,714,772	\$0
Total Approved	530	88%	\$289,946,803	\$274,530,074
Approved with Amended Rate Request ²	97	16%	\$178,248,112	\$162,832,045
All Other Approvals	433	72%	\$111,698,692	\$111,698,029
Withdrawn	38	6%	\$68,443,157	\$0
TOTALS	602	100%	\$361,104,732	\$274,530,074
All Lines 7/1/2014 to 6/30/2015				
<i>Filing Disposition</i>	<i>Rate Filings Reviewed ¹</i>	<i>Percent of Total Rate Filings Reviewed</i>	<i>Requested Dollar Impact of Rate Filings</i>	<i>Approved Dollar Impact of Rate Filings</i>
Disapproved	38	5%	\$36,606,805	\$0
Approved	619	88%	\$245,494,859	\$216,381,412
Approved with Amended Rate Request ²	116	17%	\$128,222,610	\$99,109,162
All Other Approvals	503	71%	\$117,272,249	\$117,272,249
Withdrawn	51	7%	\$8,781,831	\$0
TOTALS	708	100%	\$290,883,494	\$216,381,412

1. Includes only rate filings for property and casualty lines regulated under La. R.S. 22:1451 et seq. and includes workers' compensation group self-insured fund rate filings received in accordance with La. R.S. 23:1191 et seq. and Regulation 42. This category does not include rate filings made in accordance with La. R.S. 22:1464(E), 1464(A)(1) or 1451(D).

2. As a result of the rate filing's review, either the requested rates were amended or corrected.

OFFICE OF PROPERTY AND CASUALTY

PROPERTY AND CASUALTY RATING DIVISION

Table 27 on page 62 summarizes rate filings over the current and the last two fiscal years by type of filing. Prior approval, consent-to-rate, individually risk rated and commercial deregulation are the only property and casualty filing types authorized in Louisiana under Title 22. In addition to Title 22, Title 23 authorizes the commissioner of insurance to review all workers' compensation group self-insured rate filings. The commissioner delegated the review of self-insured funds' rates to the Actuarial Division and since workers' compensation is a form of property and casualty these reviews are also shown in Table 27.

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 for the majority of rate and rule filings received.

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 earlier 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 and/or 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 and/or rule pursuant to La. R.S. 22:1451(C)(2).

CONSENT-TO-RATE

Pursuant to La. R.S. 22:1464, a company may exceed the rate previously approved for use in Louisiana and charge a rate in excess of the rate on a specific risk, provided the insurer files a written application setting forth the reasons for the excess rate and obtains the approval of the commissioner.

INDIVIDUALLY RISK RATED

Pursuant to La. R.S. 22:1464, a company may individually rate an insured risk for excess property and casualty insurance coverages that are not written according to manual rates or rating plans.

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.

OFFICE OF PROPERTY AND CASUALTY
PROPERTY AND CASUALTY RATING DIVISION

**TABLE 27 METHODS OF RATE FILING
THREE-YEAR HISTORY**

All Lines 7/1/2016 to 6/30/2017			
<i>Filing Method</i>	<i>Total Number of Rate Filings Received¹</i>	<i>Number of Rate Filings Received Favorably²</i>	<i>Number of Rate Filings Not Received Favorably³</i>
Modified Prior Approval ⁴	632	551	81
Consent-to-Rate ⁵	165	149	16
Individually Risk Rated ⁶	2	1	1
Commercial Informational ⁷	38	35	3
Workers' Compensation Group Self-Insured Funds ⁸	0	0	0
TOTALS: ALL FILING METHODS	837	736	101
All Lines 7/1/2015 to 6/30/2016			
<i>Filing Method</i>	<i>Total Number of Rate Filings Received¹</i>	<i>Number of Rate Filings Received Favorably²</i>	<i>Number of Rate Filings Not Received Favorably³</i>
Modified Prior Approval ⁴	602	530	72
Consent-to-Rate ⁵	117	117	0
Individually Risk Rated ⁶	4	3	1
Commercial Informational ⁷	25	20	5
Workers' Compensation Group Self-Insured Funds ⁸	0	0	0
TOTALS: ALL FILING METHODS	748	670	78
All Lines 7/1/2014 to 6/30/2015			
<i>Filing Method</i>	<i>Total Number of Rate Filings Received¹</i>	<i>Number of Rate Filings Received Favorably²</i>	<i>Number of Rate Filings Not Received Favorably³</i>
Modified Prior Approval ⁴	707	618	89
Consent-to-Rate ⁵	240	239	1
Individually Risk Rated ⁶	49	49	0
Commercial Informational ⁷	114	104	10
Workers' Compensation Group Self-Insured Funds ⁸	1	1	0
TOTALS: ALL FILING METHODS	1,111	1,011	100

1. Includes only rate filings for property and casualty lines regulated under La. R.S. 22:1451 et seq. and includes Workers' Compensation Group Self-Insured Fund rate filings received in accordance with La. R.S. 23:1191 et seq. and Regulation 42. This category includes rate filings made in accordance with La. R.S. 22:1464(E), 1464(A)(1) or 1451(D).

2. Filings "Received Favorably" include those reviewed and approved by the commissioner in accordance with La. R.S. 22:1451 et seq. or in accordance with Workers' Compensation Group Self-Insured Fund rate filings received in accordance with La. R.S. 23:1191 et seq. and Regulation 42. "Received Favorably" also includes those filings received and found to be compliant with the requirements of La. R.S. 22:1464(E), 1464(A)(1) or 1451(D), i.e., consent-to-rate, individually risk rated or informational filings.

3. Filings "Not Received Favorably" are those reviewed and disapproved by the commissioner in accordance with La. R.S. 22:1451 et seq. or in accordance with Workers' Compensation Group Self-Insured Fund rate filings received in accordance with La. R.S. 23:1191 et seq. and Regulation 42. "Not Received Favorably" also includes those filings received and found not to be compliant with the requirements of La. R.S. 22:1464(E), 1464(A)(1) or 1451(D), i.e., consent-to-rate, individually risk rated or informational filings.

4. La. R.S. 22:1451 et seq.

5. La. R.S. 22:1464(E).

6. La. R.S. 22:1464(A)(1).

7. La. R.S. 22:1451(D).

8. La. R.S. 23:1191 et seq. and Regulation 42

OFFICE OF PROPERTY AND CASUALTY
PROPERTY AND CASUALTY RATING DIVISION

Table 28 on page 64 shows the Louisiana premiums paid to insurers in 2016 along with underwriting gains and losses by line, as reported to the National Association of Insurance Commissioners.

Not all lines of business shown in Table 28 are subject to rate regulation. 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 insurers are exempt from this assessment.

OFFICE OF PROPERTY AND CASUALTY
PROPERTY AND CASUALTY RATING DIVISION

TABLE 28 LOUISIANA PROPERTY AND CASUALTY MARKET EXHIBIT OF UNDERWRITING GAINS AND LOSSES BY LINE OF BUSINESS CALENDAR YEAR 2016

<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 & 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	344,207,940	332,320,762	194,562	157,075,937	116,218,313	5,986,255	64,818,205
Allied Lines	429,660,682	444,053,622	515,195	332,967,788	151,086,313	36,434,357	(4,081,317)
Multiple Peril Crop	71,541,454	69,180,183	-	104,016,307	6,836,764	11,593	(41,661,295)
Federal Flood	252,369,397	248,667,884	-	2,017,477,603	67,972,533	(4,545,530)	(1,841,327,782)
Private Crop	3,092,069	3,090,546	-	9,669,595	651,718	2,561	(7,228,206)
Private Flood	11,495,497	7,583,227	-	32,777,701	3,604,662	(66,399)	(28,865,535)
Farmowners Multiple Peril	13,522,718	13,594,372	-	5,232,219	5,072,671	(25,777)	3,263,706
Homeowners Multiple Peril	1,856,491,147	1,859,068,784	4,971,661	741,719,085	669,822,786	10,883,098	453,438,349
Commercial Multiple Peril (Non-Liability)	356,307,246	368,351,553	152,408	291,233,170	138,098,332	(1,124,826)	(62,257,182)
Commercial Multiple Peril (Liability)	151,590,134	152,198,768	39,763	90,487,919	65,467,205	(457,840)	(4,253,959)
Mortgage Guaranty	60,853,021	58,248,924	-	23,146,677	16,126,458	(5,354,921)	13,620,868
Ocean Marine	162,085,808	170,865,854	4,529	129,625,036	59,571,805	(749,888)	(19,085,404)
Inland Marine	406,170,010	421,295,497	154,446	290,401,266	126,445,291	(1,079,065)	3,215,429
Financial Guaranty	3,307,857	18,977,891	-	3,309,632	5,632,834	737,037	10,772,462
Medical Malpractice	94,683,208	94,772,793	2,666,199	42,806,604	42,346,955	371,338	7,324,373
Earthquake	5,354,171	5,861,124	6,826	(113,710)	1,384,961	(56,570)	4,526,476
Group Accident and Health	39,447,218	38,162,376	-	23,306,089	11,414,060	(666,077)	2,776,150
Credit Accident and Health	717,307	1,284,532	-	153,672	255,877	22,026	897,009
Other Accident and Health	20,603,226	16,399,462	356	16,712,612	6,620,627	(8,105,777)	(15,039,910)
Workers' Compensation	813,830,644	823,230,160	94,770,854	486,036,265	263,319,091	(7,870,270)	(28,766,321)
Other Liability-Occurrence	657,969,724	663,549,285	307,728	468,861,966	229,581,776	(5,612,399)	(40,814,584)
Other Liability-Claims-Made	202,130,464	198,113,887	37,908	130,741,369	69,194,371	(1,850,415)	(3,710,176)
Excess Workers' Compensation	44,665,036	45,821,553	-	46,377,388	15,803,767	(59,236)	(16,418,837)
Products Liability	38,109,973	39,940,051	5,987	(7,691,696)	16,064,070	(78,342)	31,483,348
Private Passenger Auto Liability	2,618,527,272	2,551,447,245	5,295,905	2,215,116,113	853,889,014	12,937,265	(509,916,522)
Commercial Auto Liability	550,053,775	544,794,956	56,678	541,979,442	207,711,681	711,460	(204,241,385)
Private Passenger Auto Physical Damage	1,517,696,622	1,494,475,371	3,173,076	1,652,355,069	505,713,272	4,971,543	(661,794,503)
Commercial Auto Physical Damage	104,373,542	104,413,048	14,073	103,851,267	38,624,878	208,009	(37,869,161)
Aircraft (All Perils)	32,739,007	36,617,011	-	26,927,731	11,231,837	(322,510)	(1,865,068)
Fidelity	13,128,386	13,183,123	317	9,425,008	5,495,668	(31,915)	(1,769,785)
Surety	112,147,474	110,446,253	-	49,923,682	56,000,104	(182,278)	4,340,189
Burglary and Theft	4,131,763	4,124,965	25	497,791	1,674,492	(6,911)	1,945,746
Boiler and Machinery	31,273,466	29,717,046	2,506	(1,501,928)	10,005,947	(466,331)	20,744,189
Credit	24,504,021	23,453,611	-	10,078,332	12,453,982	112,378	1,033,675
Warranty	6,378,607	7,257,191	-	5,451,555	848,102	6,083	963,617
Aggregate Write-Ins, Other Lines of Business	17,902,648	20,825,144	-	5,179,033	4,335,560	6,333	11,316,884
Totals	11,073,062,534	11,035,388,054	112,371,002	10,055,613,589	3,796,577,778	34,688,059	(2,894,486,256)

(A) Actual Reported Louisiana Experience, 2016 Property & Casualty Annual Statement, Page 19 (State Page), column 1.
(B) Actual Reported Louisiana Experience, 2016 Property & Casualty Annual Statement, Page 19 (State Page), column 2.
(C) Actual Reported Louisiana Experience, 2016 Property & Casualty Annual Statement, Page 19 (State Page), column 3.
(D) Actual Reported Louisiana Experience, 2016 Property & Casualty Annual Statement, Page 19 (State Page), columns 6 & 9.
(E) Actual Reported Louisiana Experience - Commission & Premium Tax Expenses, 2016 P&C Annual Statement (Page 19 (State Page) , columns 11 & 12) + Estimated Louisiana Experience based upon Nationwide Ratio of Other Adjustment, Acquisition & General Expenses to Earned Premium (2016 Insurance Expense Exhibit - Part III, Columns 11, 27, & 29).
(F) Estimated Louisiana Experience based upon Nationwide Ratio of Other Income/Expense to Earned Premium, 2016 Insurance Expense Exhibit - Part III, Column 31.
(G) Calculation = Cols. B - C - D - E + F

Report Date: September 18, 2017

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

PROPERTY AND CASUALTY FORMS DIVISION

The Property and Casualty 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 29 shows the total number of policy forms reviewed by the Property and Casualty Forms Division.

**PROPERTY AND CASUALTY FORMS PROCESSED
THREE-YEAR HISTORY** **TABLE 29**

<i>Fiscal Year</i>	<i>Total Number of Forms Processed</i>
07-01-2016 to 06-30-2017	21,591
07-01-2015 to 06-30-2016	23,400
07-01-2014 to 06-30-2015	23,314

Of the total number of policy forms in Fiscal Year 2016-2017, 71 percent were approved prior to use, either by receiving LDI approval or by utilizing the Certified Approved process. Table 30 presents the numbers of approval and disapproval actions taken on all forms processed. However, Table 30 does not include numbers for forms received for informational purposes only, forms withdrawn or filings where companies adopt filing organizations' forms which the Property and Casualty Forms Division had previously approved for use in Louisiana.

**ACTIONS TAKEN ON PROPERTY AND CASUALTY FORMS PROCESSED
THREE-YEAR HISTORY** **TABLE 30**

<i>Fiscal Year</i>	<i>Approved</i>	<i>Disapproved</i>
07-01-2016 to 06-30-2017	15,334	2,669
07-01-2015 to 06-30-2016	15,892	5,317
07-01-2014 to 06-30-2015	16,464	4,631

LOUISIANA PROPERTY AND CASUALTY INSURANCE COMMISSION

LEGISLATIVE BACKGROUND AND PURPOSE

In 1997, the Louisiana Legislature created the Council on Automobile Insurance Rates and Enforcement (CAIRE) to undertake a comprehensive study and provide oversight and recommendations aimed at enforcement of those laws and programs that affect automobile insurance rates. CAIRE 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 DWI penalties, graduated licensing, automobile insurance checkpoints and a crackdown on insurance fraud.

In 2001, the Louisiana Legislature expanded CAIRE’s realm of study to include not only automobile insurance but also homeowners insurance and workers’ compensation insurance, thus forming and renaming the entity as the Louisiana Property and Casualty Insurance Commission. The commission, which consists of three ad-hoc committees (Automobile Insurance Ad-Hoc Committee, Homeowners Insurance Ad-Hoc Committee and Workers’ Compensation Ad-Hoc Committee), has been given the task of reviewing and examining the availability and affordability of property and casualty insurance in the state.

The commission submits an annual report to the governor, commissioner of insurance and the Legislature, which includes its recommendations based upon its research, meetings and testimony. 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 insurance associations, agent associations, law enforcement, community leaders and representatives of various consumer interests. Membership also includes the commissioner of insurance, representatives from the Office of the Governor, the Office of the Attorney General, the Senate and House Committees on Insurance and an appointment designated by the commissioner of insurance.

Legislative Recommendations for the 2017 Regular Session

1. Uniform Construction Code

The administrator of the Louisiana State Uniform Construction Code Council (LSUCCC), Mark Joiner, and the State Fire Marshal, Butch Browning, made a presentation to the LPCIC at its November 16, 2016 meeting as reflected in the Meeting Minutes. They impressed upon the members of the commission the successful implementation of the Uniform Construction Code and the modern system employed by the State Fire Marshal to ensure the maintenance of high standards of building construction and safety. The LPCIC recommends that the Legislature resist any efforts to weaken or diminish the current Louisiana State Uniform Construction Code and enact legislation to strengthen the Uniform Construction Code and its enforcement.

2. Distracted Driving

All forms of distracted and inattentive driving increase the risk of automobile accidents, which result in increased automobile insurance premiums. Cognitive demands of the use of hand-held devices narrow the field of vision and create distraction from the responsibilities of driving. Studies have shown that this type of distraction results in risk similar to driving with a .08 BAC and a four times greater chance of being in a traffic crash.

The Louisiana Transportation Research Center (LTRC) produced a research paper entitled Distracted Driving and Associated Crash Risks that evaluated the effects of various distractions on a driver's ability to control a motor vehicle. The paper is available at http://www.ltrc.lsu.edu/pdf/2016/FR_530.pdf. The National Highway Transportation Safety Administration has a website at www.distraction.gov that addresses the issue of distracted driving.

In 2016 California enacted Assembly Bill 1785, which prohibits a person from driving a motor vehicle while holding and operating a handheld wireless telephone or a wireless electronic communication device. The Act authorizes a driver to operate a handheld wireless telephone or a wireless electronic communications device in a manner requiring the use of the driver's hand only under specified conditions.

Assembly Bill 1785, the NHSTA Sample Texting While Driving Law, and a chart of Distracted Driving Laws by State are attached to the Meeting Minutes for February 1, 2017.

The LPCIC recommends that the legislature ban the manual use by the operator of a motor vehicle while in motion of all electronic devices not permanently installed in the vehicle.

3. Civil Jury Threshold

There are 14 states that have a civil jury trial threshold. Louisiana is the highest at \$50,000. Maryland is a distant second at \$15,000, followed by Rhode Island and Hawaii at \$5,000. Thirty six states have no threshold. Lawsuits below the threshold are heard by a judge without the option of a jury trial. Restricted access to jury trials results in more lawsuits, fewer out-of-court settlements, and higher and more frequent plaintiff verdicts by trial judges. The LPCIC recommends that the legislature reduce the civil jury threshold.

4. Direct Action

Louisiana remains the only state in the Union with a pure direct action statute. The result is that only in Louisiana is a plaintiff allowed to name an insurance company as a defendant in a lawsuit in addition to or sometimes in lieu of the insured. The exposure of the insurer as a defendant to the trial jury is a negative factor in efforts to reduce the cost of liability insurance in Louisiana. The LPCIC recommends that the Legislature repeal the direct action statute or amend it to limit the instances for naming an insurer as a defendant to those where the insured is unable to be served with process.

5. Opioid Abuse

The LPCIC received presentations on the issue of opioid abuse and the problem of high levels of opioid prescription in workers' compensation claims. The Surgeon General of the United States has issued new guidelines on the use of opioids and begun a national campaign to fight the misuse of opioids—turnthetiderx.org.

The International Association of Industrial Accident Boards and Commissions (IAIABC) published in April 2016 a paper of the IAIABC Medical Issues Committee entitled *A Discussion on the Use of a Formulary in Workers' Compensation* that provides explanations of how formularies work and considerations for the development and implementation of a formulary in workers' compensation. It also presents brief case studies with outcomes and lessons learned for those states that have adopted formularies in workers' compensation—North Dakota, Ohio, Tennessee, Texas, and Washington. The paper may be downloaded at <https://www.iaiaabc.org/images/iaiaabc/Resources/Discussion-Use-Formulary-Work-Comp-IAIABC-04-27-16.pdf>.

In 2015, California enacted AB 1124 enabling and requiring the use of a pharmacy formulary in workers' compensation by July 1, 2017.

The LPCIC recommends that the Legislature enact a requirement for the use of a closed pharmacy formulary in workers' compensation claims.

Study Issues for 2017

1. Sharing Economy

The sharing economy creates insurance and regulatory issues that will require study over several years. Of particular interest to Louisiana's tourism industry is the rise of home-sharing applications that allow a person to rent a room, apartment, or house—such as Airbnb and HomeAway. Rental of a private home creates liability risk of which neither party to the rental may be aware. Similar to transportation network drivers and passengers, there could be gaps in coverage that expose both parties to substantial risk.

The NAIC approved and published in 2016 a brief white paper entitled *Insurance Implications of Home-Sharing: Regulator Insights and Consumer Awareness*, which provides a discussion of the risks related to home-sharing. It is available on the NAIC website. (http://www.naic.org/documents/cmte_c_sharing_econ_wg_related_white_paper_home_sharing.pdf)

The LPCIC will monitor and study issues related to the sharing economy.

2. Cybersecurity and Insurance

Cybersecurity is a major issue in law, technology, and national security. Insurance coverage for liabilities and losses that result from breaches of cybersecurity is a major topic of concern throughout the insurance industry. The affordability and availability of insurance coverage for cyber-related losses is a growing concern for firms of all sizes.

The LPCIC will monitor and study issues related to cybersecurity and insurance.

3. Driverless Vehicles

The availability and affordability of adequate insurance coverage for individuals or entities that may make use of driverless technology is an issue that approaches as quickly as the deployment of driverless vehicle technology on the public roads.

The LPCIC will study regulatory and insurance issues that arise with the development of driverless vehicles.

4. Private Flood Insurance and NFIP Reauthorization

Federal law permits mortgagors to purchase private flood insurance in lieu of NFIP coverage. There do not appear to be any legal or regulatory barriers to a market for private flood insurance in Louisiana in both the surplus lines and standard markets for personal lines or commercial coverages. There is presently some activity in Louisiana in the writing of surplus lines flood policies for first-dollar and excess flood coverage. In Mississippi, Alabama and Florida, there are admitted insurers writing private flood insurance.

With the need to renew the NFIP beyond September 30, 2017, private flood insurance will be an increasingly important subject as policy makers examine the use of market-based solutions to lessen the exposure of taxpayers to flood risk.

The LPCIC will monitor and study the affordability and availability of private flood insurance and proposals for increased reliance upon the private market in the renewal of the NFIP.

5. Federal Actions Affecting Insurance and Insurance Regulation

In recent years, the federal government has taken a more active role in matters of insurance regulation at the national and international level. The passage of the Nonadmitted and Reinsurance Reform Act of 2010 and the Federal Insurance Office Act of 2010 had direct effects on the state regulation of insurance and created a federal agency to monitor property and casualty insurance matters. The recent conclusion of a “covered agreement” pursuant to the Federal Insurance Office Act may, if implemented, have preemptive effects on state laws and state regulation of insurance. The Medicare Secondary Payer Act is an example of a federal law with a potential to affect the availability and affordability of insurance by impacting the cost of claims. Cybersecurity, private flood insurance, driverless vehicle technology and many other issues will involve the federal government and may impact insurance markets directly or indirectly.

The LPCIC will monitor and study the effects of federal laws and regulations on the affordability and availability of property and casualty insurance.

6. Third Party Litigation Funding

The LPCIC will continue to study the effect that the funding of litigation by third parties may have on the affordability and availability of insurance coverage.

7. Bad Faith

The LPCIC will continue to study how statutes that authorize bad faith damages may negatively impact premiums for property and casualty insurance coverage in Louisiana.

8. Collateral Source Rule Issues

The LPCIC will study the effect on insurance costs of the collateral source rule.

9. Punitive Damages for Distracted Driving

The LPCIC will study whether or not other states have general or special statutes authorizing punitive damages, effect on the numbers of distracted driving incidents reported, and any effects on insurance.

Helpful Links

Search property and casualty rate filings, www.ldi.la.gov/online-services/rate-filing-search

Product Filing Requirements for Insurers, <http://ia.ldi.state.la.us/productmatrix/>
Explanation of rate, form and complaint response web-based systems used by the LDI.

Shop Your Rates: Auto and Home Insurance Rate Comparison guides, www.ldi.la.gov/online-services/shop-your-rates



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 2016-2017, the Division of Legal Services tracked 275 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 31 for the legal issues involved.

TABLE 31 **LEGAL ISSUES/ADMINISTRATIVE HEARINGS**
THREE-YEAR HISTORY

	<i>Fiscal Year</i> <i>2016-2017</i>	<i>Fiscal Year</i> <i>2015-2016</i>	<i>Fiscal Year</i> <i>2014-2015</i>
Bail Bond Forfeitures	194	202	182
Cease and Desist Orders	9	18	23
Failure to Pay Taxes, Fines or Assessments	3	4	8
Misappropriations	4	11	14
Misrepresentations	9	14	8
Revocation of Certificate of Authority/License	7	3	18
Unlicensed/Unauthorized Producers or Companies	3	4	10
Other	46	35	9
TOTALS	275	291	272

FINES COLLECTED

In Fiscal Year 2016-2017, the Division of Legal Services assisted the commissioner of insurance in collecting \$94,195 in fines.

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 \$2,500 in fines were imposed on regulated entities under the Unfair Trade Practices Act during Fiscal Year 2016-2017.

RULES, REGULATIONS, DIRECTIVES, ADVISORY LETTERS, BULLETINS

A list of regulations, rules, directives, advisory letters and bulletins written, amended, revised, rescinded/ repealed in Fiscal Year 2016-2017 follows.

The following documents can be found on the LDI website here:
<https://www.lidi.la.gov/onlineservices/documentsearch/>

Advisory Letter 2017-01: Refund of Producer Agency Fees on Individual Health Insurance Plans (2/8/2017)

Advisory Letter 2015-01: "Value Added" Services & the Giving of Things of Value; Common Marketing Practices; Rescission of Bulletin no. 2010-05 (Revised) (3/14/2017)

Advisory Letter 2016-02: Mandatory Registration by Producer Agencies (7/7/2016)

Advisory Letter 2016-01: Applicability of the Provider Fee Authorized in LA. R.S. 46:2625 to Medicare Advantage Plans (7/1/2016)

Bulletin 2017-06: Terrorism Risk Insurance Data Call (6/29/2017)

Bulletin 2017-05: Effect of Act 63 of the 2014 Regular Legislative Session Producer Agency Fees (6/29/2017)

Bulletin 2017-04: Deadlines for Health Insurance Issuer and HMO Submissions of Form and Rate Filing and Plan Management Binders (4/5/2017)

Bulletin 2017-03: Hospital or Other Fixed Indemnity Insurance & state Enforcement of Title 45 of the Code of Federal Regulations; Rescission of Bulletin No. 2014-06 (3/7/2017)

Bulletin 2017-02: Transitional Relief for the 2018 Policy/Plan Year (3/3/2017)

Bulletin 2017-01: Rescission of Bulletin No. 2013-02 (2/14/2017)

Bulletin 2016-05: Terrorism Risk Insurance Data Call (7/29/2016)

Bulletin 2016-04: 2017 Operative Date of Principle-Based Valuation Manual (7/5/2016)

DIVISION OF LEGAL SERVICES

Directive 209: Producer Agency Fees on Individual Health Insurance Plans (10/28/2016)

Emergency Rule 33: Suspension of Right to Cancel or Nonrenew Residential, Commercial Residential, or Commercial Property Insurance Due to Historic Flooding (5/9/2017)

Emergency Rule 32: Suspension of Right to Cancel or Nonrenew Residential, Commercial Residential, or Commercial Property Insurance Due to Historic Flooding (2/8/2017)

Emergency Rule 31: Privacy of Consumer (10/24/2016)

Emergency Rule 30: Suspension of Right to Cancel or Nonrenew Residential, Commercial Residential, or Commercial Residential, or Commercial Property Insurance (10/11/2016)

Emergency Rule 29: Homeowner and Fire/Commercial Insurance Policy Disclosure Forms (10/24/2016)

Emergency Rule 28: Suspension of Right to Cancel or Nonrenew Residential, Commercial Residential, or Commercial Property Insurance Due to Historic Flooding (9/13/2016)

Emergency Rule 27--Suspension of Certain Statutes Regarding Cancellations, Non-Renewals, Reinstatements, Premium Payments, Claim Filings and Related Provisions Regarding Any and All Insurance Matters Affecting Insureds in Louisiana caused by the State of Emergency Declared by the Governor on August 12, 2016, on account of Historic Flooding (8/18/2017)

Regulation 107: Homeowner and Fire-Commercial Insurance Policy Disclosure Form (published 3/2017)

Regulation 76: Privacy of Consumer (Amended) (Published 3/2017)

Regulation 40: Summary Document and Disclaimer and Notice of Noncoverage (Amended) (Published 11/2016)

Regulation 31: Holding Company (Amended) (Published 11/2016)

Regulation 78: Policy Form Filing Requirements (Amended) (Published 11/2016)

Regulation 46: Long Term Care Insurance (Amended) (Published 7/2017)

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 2016 calendar year in which the LDI was the plaintiff included three cases instituted during the year, six pending, and three concluded.

DIVISION OF LEGAL SERVICES

LITIGATION DISCLOSURE ANNUAL REPORT

**TABLE 32 LAWSUITS BROUGHT BY THE COMMISSIONER OR DEPARTMENT OF INSURANCE
CALENDAR YEAR 2016**

<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>
499737	19th JDC	Louisiana Department of Insurance	AmCare Health Plans of Louisiana, Inc.	Receivership	Rehabilitation	Closed on January 30, 2017	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 and Employers Mutual Ins. 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	Closed on April 8, 2016	Michael Charles Guy, Attorney General
6288016	19th JDC	Louisiana Department of Insurance	Snider Mutual Funeral Association	Receivership	Rehabilitation	Rehabilitation	Michael Charles Guy, Attorney General
641770	19th JDC	Louisiana Department of Insurance	Paul A. Granzier, Richard N. Harman and Dental2U	Petition for Injunction Relief, Imposition of Fine and Rule to Show Cause	Temporary restraining order, and subsequently preliminary and permanent injunctions, restraining, enjoining and prohibiting defendants, engaging in any aspect of the business of insurance in the state of Louisiana and to impose fine.	Waiting for hearing to be scheduled. Consent agreement discussed; Notice of fine to be issued.	Carol Guidry, General Counsel, Louisiana Department of Insurance
641353	19th JDC	Louisiana Department of Insurance	Affirmative Casualty Insurance Company	Rehabilitation	Rehabilitation	Rehabilitation	Michael Charles Guy, Attorney General
641928	19th JDC	Louisiana Department of Insurance	Louisiana Health Cooperative	Rehabilitation	Rehabilitation	Rehabilitation	Michael Charles Guy, Attorney General
650039	19th JDC	Louisiana Department of Insurance	Sabine Mutual Benevolent Funeral Association	Rehabilitation	Rehabilitation	Rehabilitation	Walter Corey, Attorney 4, Louisiana Department of Insurance
646352	19th JDC	Louisiana Department of Insurance	Blackwell and Golden Funeral Association	Rehabilitation	Rehabilitation	Rehabilitation	Walter Corey, Attorney 4, Louisiana Department of Insurance
760137	24th JDC	Louisiana Department of Insurance	Renie Ramiraz, Sr., United Network Insurance & Assoc., LLC D/B/A Louisiana All Titles & Insurance Broker, LLC.	Petition for Injunctive Relief and Rule to Show Cause	Temporary Restraining Order	Closed. Consent Judgment was signed by Judge on September 21, 2016 restricting defendant in doing business in Louisiana	Romualdo Gonzales, Defense Attorney for Renie Ramirez, Sr.

HELPFUL LINKS

Regulatory documents issued during 2016-2017 can be found here, <https://www.ldi.la.gov/onlineservices/documentsearch/>

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 2,444 reports of suspected fraudulent claims during Fiscal Year 2016-2017. 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 31,044 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 1,428 claim fraud investigations to the State Police during the fiscal year. There were 76 arrests resulting in 195 charges for numerous crimes as a result of criminal referrals related to suspected fraudulent insurance claims. Those charges are categorized in Table 34.

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

	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>	<i>Fiscal Year 2014-2015</i>
Number of Investigations Opened	136	128	88
Cease and Desist Orders Served	1	8	17
Notices of Proposed Action Served	8	3	12
Criminal Referrals to Law Enforcement	7	15	13
Arrests Made as a Result of Criminal Referrals	1	3	5

DIVISION OF INSURANCE FRAUD
FRAUD AND BACKGROUND INVESTIGATIONS

CHARGES AGAINST CLAIMANTS OR LICENSEES **TABLE 34**
RESULTING FROM REFERRALS BY CATEGORY

<i>Category</i>	<i>Number of Charges*</i>	<i>Percent of Crimes</i>
Insurance Agents Prohibited Acts	91	46.60%
Insurance Fraud	80	41.00%
Filing False Public Records	9	4.70%
Theft	7	3.70%
Forgery	3	1.50%
Possession of a Fraudulent Insurance ID Card	2	1.00%
Bank Fraud	1	0.50%
Monetary Instrument Abuse	1	0.50%
Identity Theft	1	0.50%

*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
- 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
- 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
- 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

DIVISION OF INSURANCE FRAUD
FRAUD AND BACKGROUND INVESTIGATIONS

**TABLE 35 BACKGROUND INVESTIGATIONS
 THREE-YEAR HISTORY**

	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>	<i>Fiscal Year 2014-2015</i>
Company Applications Received	130	123	128
Company Applications Approved	127	113	128
Company Biographical Affidavits Received	988	1,998	1,088
Company Biographical Affidavits Approved	977	1,940	1,088

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.

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.

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 2016-2017 included outreach to school districts as well as continued work in 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 2016-2017, 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. As technology has shifted, the use of bait cars by law enforcement has declined. During this reporting period, the bait vehicle program was operational in Baton Rouge, Calcasieu, New Orleans and Jefferson Parish. Since the Program's inception, approximately 359 arrests have been made. During Fiscal Year 2016-2017, bait vehicles were deployed a total of 1,619 hours, resulting in two activations and one adult arrest. 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.

During Fiscal Year 2016-2017, license plate readers were operational in Baton Rouge, New Orleans, Calcasieu, Lake Charles, Kenner, Lafayette, Causeway Bridge and with the Louisiana State Police. This year LATIFPA launched a pilot program which placed plate readers on two university campuses. The use of license

DIVISION OF INSURANCE FRAUD
LOUISIANA AUTOMOBILE THEFT AND INSURANCE FRAUD PREVENTION AUTHORITY

plate readers in these locations resulted in 1,405,951 reads, 142 arrests, the recovery of 84 stolen vehicles and 31 stolen license plates valued at \$852,138. Expenditures for the License Plate Recognition Program were \$64,060.

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 schools or the requesting organizations.

This fiscal year, the educational curriculum was presented to 2,846 students in East Baton Rouge, Orleans, St. Landry and Livingston Parishes. The vehicle theft and insurance fraud prevention presentations were made to 4,765 individuals in various civic, business and professional organizations in Orleans, East Baton Rouge, Jefferson, St. Landry, Livingston, Ascension, Tangipahoa, Acadia and St. James Parishes.

FRAUD PREVENTION ACTIVITIES TABLE 36
THREE-YEAR HISTORY

	<i>Fiscal Year</i> 2016-2017	<i>Fiscal Year</i> 2015-2016	<i>Fiscal Year</i> 2014-2015
VIPER (Bait Vehicle) Program			
Hours Deployed	1,619	11,971	20,872
Activations	2	35	35
Adult Arrests	1	7	109
Expenditures	\$0	\$0	\$6,394
License Plate Recognition Program			
Reads	1,405,951	1,600,652	2,732,874
Stolen Vehicles Recovered	84	62	104
Stolen License Plates Recovered	31	42	37
Arrests	142	75	124
Value of Recoveries	\$852,138	\$802,061	\$846,246
Expenditures	\$64,060	\$20,838	\$43,851
Education Program			
Middle School & High School Students	2,846	6,425	1,232
Civic Events, Expos, Fairs and Conference Attendees	4,765	3,042	1,605
TOTAL ATTENDEES	7,611	9,467	2,837

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 2016-2017, Louisiana Automobile Theft and Insurance Fraud Prevention Authority reached approximately 4,800 people.

Since the inception of this program, outreach on vehicle theft and prevention and insurance fraud prevention has been delivered to nearly 60,000 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: July 12, 2016, November 1, 2016, January 11, 2017 and April 12, 2017. All meetings were open to the public.

LATIFPA CONFERENCE

The 2016 Conference on Insurance Fraud and Automobile Theft was held October 12, 2016 in Baton Rouge. The conference included a presentation on disaster fraud and an in-depth look at the process of investigating a fraud case. It was also an opportunity for producers, adjusters, and attorneys to earn Continuing Education Credits.

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.

DIVISION OF INSURANCE FRAUD

LOUISIANA AUTOMOBILE THEFT AND INSURANCE FRAUD PREVENTION AUTHORITY

At the beginning of Fiscal Year 2016-2017, there was a statutory dedicated fund balance of \$57, 220.59. 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 \$1,162.00. Total funds for this period were \$235,892.59.

OBLIGATIONS

Expenditures during this fiscal year, from the fund totaled \$154,175.90. The ending fund balance for this period was \$35,807.10. At the beginning of the reporting period, there was a balance of \$73,757.01 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 LINKS

To search Regulatory Action on the website, please visit: www.lidi.la.gov/OnlineServices/RegulatoryActions.

For more information about the Louisiana Automobile Theft and Insurance Fraud Prevention Authority, visit www.lidi.la.gov/latifpa.

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Office of Consumer Services

OFFICE OF CONSUMER SERVICES

The Office of Consumer Services consists of the Market Conduct and Consumer Complaint divisions. Act 274 of the 2015 Louisiana Regular Legislative Session created the Office of Consumer Services under the direction of the deputy commissioner of the Office of Consumer Services. The office monitors the marketing, customer service and claims handling practices of health, property and casualty, and life and annuity insurance issuers and producers conducting business in the state of Louisiana.

The Market Conduct division performs examinations and analysis of insurers to ensure that policyholders, claimants and beneficiaries are being treated fairly and in line with laws, rules and regulations. In FY 2016-2017, 23 companies were analyzed and the office conducted an examination on one company.

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.

OFFICE OF CONSUMER SERVICES

Complaints are investigated to determine whether the insurer or producer performed in compliance with the law and the terms and conditions of the policy. A consumer may expect payment for an item not covered by the policy or may not agree with the way a transaction was handled, but the company or producer may have acted properly and within the law. A consumer complaint may or may not result in a claim payment or premium refund from the insurer or producer, depending on the facts of the matter giving rise to the complaint. Overall, the LDI completed complaint investigations in an average of 29 days.

COMPLAINTS HANDLED AND FUNDS RECOVERED BY INSURANCE PRODUCT **TABLE 37**

<i>Fiscal year 2016-2017</i>	<i>Life, Annuity & Long-Term Care</i>	<i>Health</i>	<i>Property & Casualty</i>	<i>Total</i>
Complaints Received	643	1,049	2,234	3,926
Amount of Benefits and Funds Recovered	\$1,198,199	\$1,716,823	\$4,917,608	\$7,832,630

A total of \$7,832,630 in claims payments, additional claims payments or refunds were recovered by insureds during Fiscal Year 2016-2017. The majority of complaints were in the area of property and casualty, with private passenger auto and homeowners being the most common coverage types generating complaints.

The three-year trends in numbers of complaints received and dollars recovered for consumers are shown in Charts 3 and 4.

CHART 3 NUMBERS OF COMPLAINTS RECEIVED BY PRODUCT TYPE AND TOTAL FOR LDI THREE YEAR HISTORY

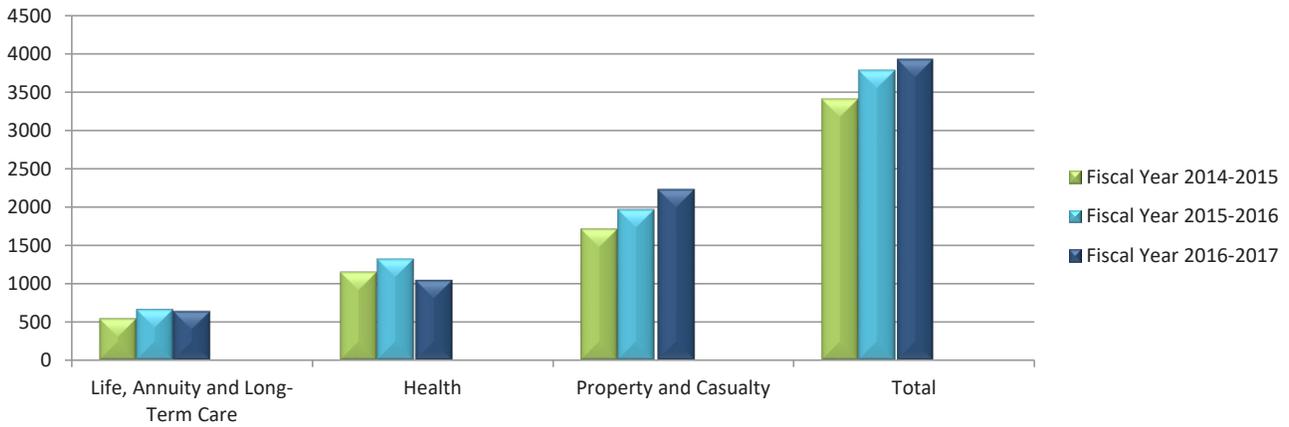
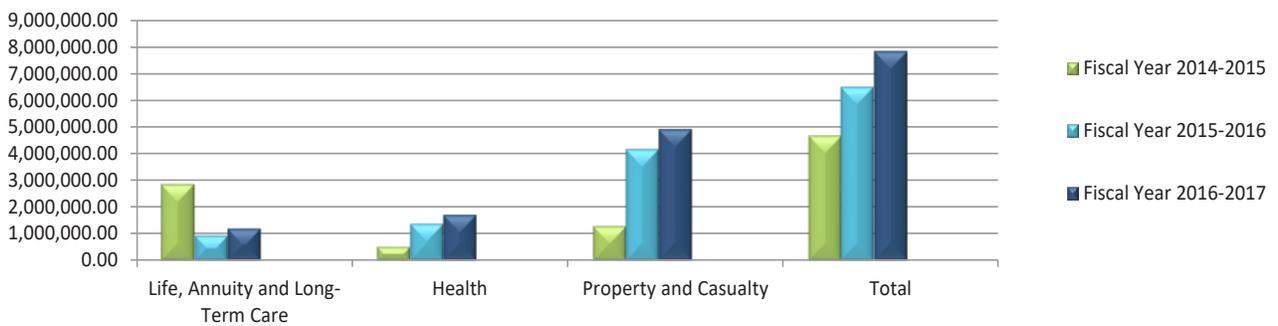


CHART 4 DOLLARS RECOVERED BY PRODUCT TYPE AND TOTAL FOR LDI THREE YEAR HISTORY



COMPLAINT DISPOSITIONS

When a file is closed, it is assigned a disposition code. Disposition codes used by the LDI are uniform with those used by other states and are in accordance with guidelines set forth by the National Association of Insurance Commissioners. 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 determined 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.

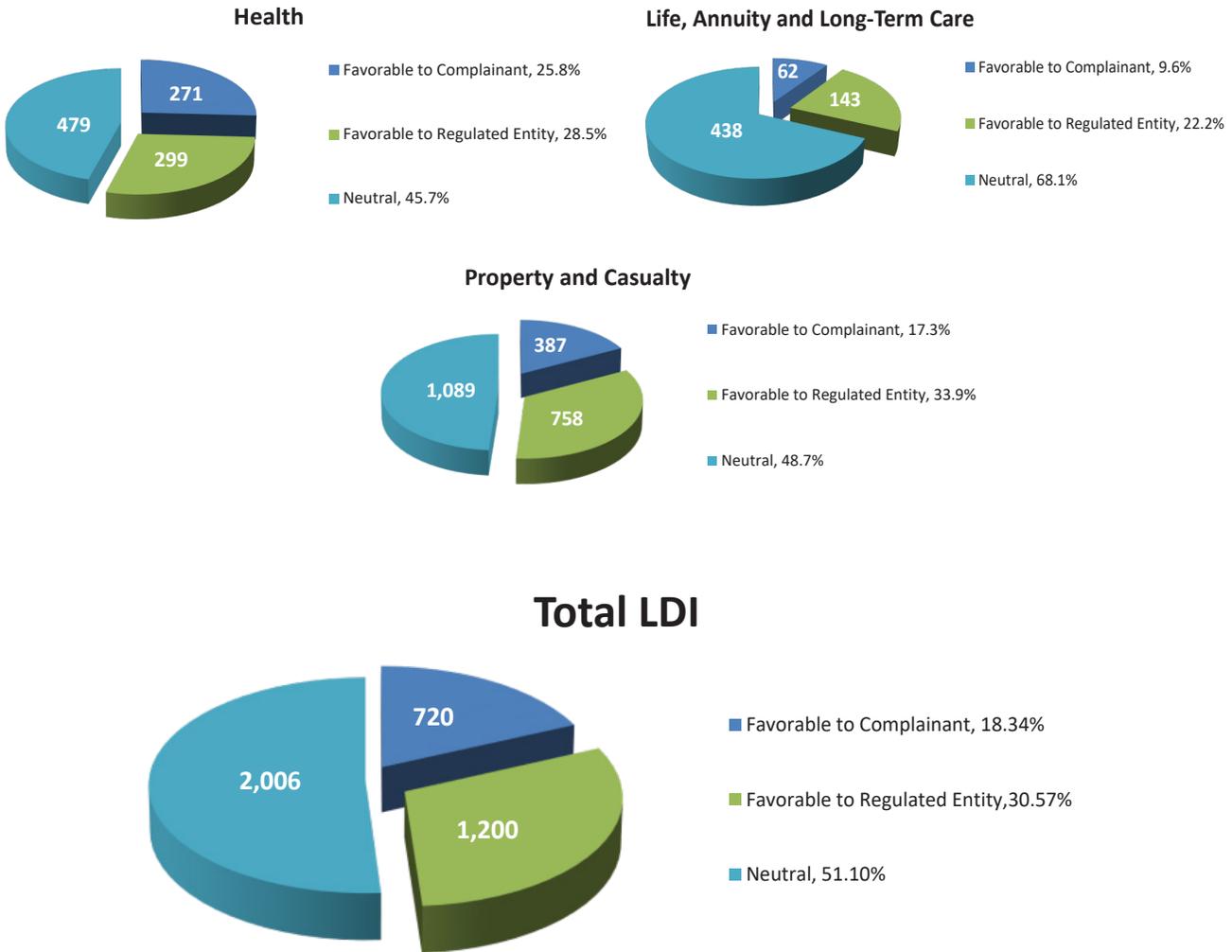
The table below provides the data for the disposition on closed complaint files by each office and totals for the entire LDI.

COMPLAINT DISPOSITIONS BY PRODUCT AND TOTAL FOR LDI **TABLE 38**

<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	62	271	387	720	18.34%
Favorable to Regulated Entity	143	299	758	1,200	30.56%
Neutral	438	479	1,089	2,006	51.10%
TOTALS	643	1,049	2,234	3,926	100%

Charts 5-8 give a visual account of how the complaints resolved, whether favorable to the complainant, favorable to the regulated entity complained against or neutral.

CHARTS 5-8 CLOSED COMPLAINT DISPOSITIONS



HELPFUL LINKS

Complaint Filing, www.lidi.la.gov/onlineservices/ConsumerComplaintForm. 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.

View complaint data for companies who write insurance in Louisiana at www.lidi.la.gov/complaintdata.



Appendices

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

APPENDIX A

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

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, 2016

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	344,207,940	332,320,762	194,562	157,350,394	126,679,713	144,683,355
02.1	Allied Lines	429,660,682	444,053,622	515,195	199,918,525	190,990,325	276,722,789
02.2	Multiple Peril Crop	71,541,454	69,180,183	-	2,904,996	96,616,086	104,000,531
02.3	Federal Flood	252,369,397	248,667,884	-	135,809,182	1,715,588,257	2,001,425,039
02.4	Private Crop	3,092,069	3,090,546	-	8,598	9,952,155	9,657,360
02.5	Private Flood	11,495,497	7,583,227	-	6,444,811	9,041,457	32,777,701
03	Farmowners Multiple Peril	13,522,718	13,594,372	-	6,378,981	4,635,642	5,117,321
04	Homeowners Multiple Peril	1,856,491,147	1,859,068,784	4,971,661	940,453,713	694,663,489	711,418,658
05.1	Commercial Multiple Peril (Non-Liability)	356,307,246	368,351,553	152,408	159,149,553	214,844,425	287,011,728
05.2	Commercial Multiple Peril (Liability)	151,590,134	152,198,768	39,763	68,602,659	62,747,086	67,096,249
06	Mortgage Guaranty	60,853,021	58,248,924	-	21,128,689	19,529,081	22,867,425
08	Ocean Marine	162,085,808	170,865,854	4,529	71,410,993	116,972,799	111,737,042
09	Inland Marine	406,170,010	421,295,497	154,446	129,370,893	242,678,652	286,985,762
10	Financial Guaranty	3,307,857	18,977,891	-	51,988,014	2,696,669	3,062,119
11	Medical Malpractice	94,683,208	94,772,793	2,666,199	41,530,831	20,708,462	13,700,921
12	Earthquake	5,354,171	5,861,124	6,826	2,290,766	11,622	(114,092)
13	Group Accident and Health	39,447,218	38,162,376	-	12,808,092	23,742,783	23,033,478
14	Credit Accident and Health	717,307	1,284,532	-	796,144	293,064	159,311
15.1	Collectively Renewable Accident and Health	1,106	1,129	-	188	-	(25)
15.2	Non-Cancelable Accident and Health	-	4,790	-	23,801	-	-
15.3	Guaranteed Renewable Accident and Health	12,037,330	7,972,307	-	65,960,652	9,280,298	13,279,169
15.4	Non-Renewable Accident and Health	4,050,630	4,078,926	356	1,887,198	1,742,800	1,555,869
15.5	Other Accident Only	1,203,100	1,033,078	-	296,045	12,787	591,540
15.6	Medicare Title XVIII	-	-	-	-	-	-
15.7	All Other Accident and Health	3,311,060	3,309,232	-	347,128	979,585	1,383,260
15.8	Federal Employees Health Benefits Program	-	-	-	-	-	-
16	Workers' Compensation	813,830,644	823,230,160	94,770,854	278,522,237	431,156,723	400,649,728
17.1	Other Liability-Occurrence	657,969,724	663,549,285	307,728	320,432,113	347,177,506	404,249,254
17.2	Other Liability-Claims-Made	202,130,464	198,113,887	37,908	103,721,206	93,454,887	100,977,482
17.3	Excess Workers' Compensation	44,665,036	45,821,553	-	13,129,737	27,833,841	43,770,053
18	Products Liability	38,109,973	39,940,051	5,987	17,576,800	16,631,036	(18,458,247)
19.1	Private Passenger Auto No-Fault	-	8	-	-	475,824	524,854
19.2	Private Passenger Auto Liability	2,618,527,272	2,551,447,237	5,295,905	723,749,585	1,855,797,370	2,090,394,970
19.3	Commercial Auto No-Fault	(56,384)	332,985	-	8,690	222,721	727,767
19.4	Commercial Auto Liability	550,110,159	544,461,971	56,678	240,838,519	432,875,097	472,290,033
21.1	Private Passenger Auto Physical Damage	1,517,696,622	1,494,475,371	3,173,076	431,501,558	1,627,154,229	1,648,533,451
21.2	Commercial Auto Physical Damage	104,373,542	104,413,048	14,073	41,008,380	97,355,082	101,435,911
22	Aircraft (All Perils)	32,739,007	36,617,011	-	21,842,711	27,758,510	23,966,999
23	Fidelity	13,128,386	13,183,123	317	8,867,795	13,636,026	9,291,125
24	Surety	112,147,474	110,446,253	-	50,826,492	42,527,358	45,047,684
26	Burglary and Theft	4,131,763	4,124,965	25	1,583,503	354,905	645,575
27	Boiler and Machinery	31,273,466	29,717,046	2,506	14,224,107	25,338,542	(457,855)
28	Credit	24,504,021	23,453,611	-	18,969,090	10,017,210	9,926,938
30	Warranty	6,378,607	7,257,191	-	15,499,823	5,495,562	5,405,397
34	Aggregate Write-Ins, Other Lines of Business	17,902,648	20,825,144	-	20,705,490	19,751,242	5,091,641
35	TOTALS	11,073,062,526	11,035,388,028	112,371,001	4,399,868,692	8,639,420,906	9,462,165,254

DATA SOURCE: 2016 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, 2016

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	110,866,755	6,148,226	5,466,552	3,918,879	44,129,514	11,142,486
02.1	Allied Lines	185,941,729	5,148,785	7,839,163	8,232,871	52,135,364	9,184,335
02.2	Multiple Peril Crop	21,762,126	531	15,776	33,205	5,232,796	266,081
02.3	Federal Flood	294,517,969	14,684,416	16,052,564	1,427,593	49,531,490	9,442,648
02.4	Private Crop	(115,227)	12,237	12,235	263	460,472	90,523
02.5	Private Flood	23,736,328	252,166	708,230	456,098	629,272	343,866
03	Farmowners Multiple Peril	3,191,871	275,296	114,898	397,056	2,145,755	642,210
04	Homeowners Multiple Peril	275,559,611	21,453,936	17,328,672	25,139,149	237,695,348	76,118,434
05.1	Commercial Multiple Peril (Non-Liability)	209,791,736	5,000,730	4,221,442	14,716,042	55,425,808	15,138,928
05.2	Commercial Multiple Peril (Liability)	228,853,424	22,377,714	23,391,670	78,379,518	29,523,448	6,517,093
06	Mortgage Guaranty	69,908,968	229,109	279,252	252,069	-	2,325,748
08	Ocean Marine	255,168,914	14,198,063	17,887,994	31,719,227	25,409,625	4,843,381
09	Inland Marine	113,439,013	3,678,946	3,415,504	3,212,612	66,575,238	13,068,283
10	Financial Guaranty	5,943,668	185,513	247,513	62,000	-	(1,015,181)
11	Medical Professional Liability	185,104,067	29,081,963	29,105,683	108,733,336	8,212,194	3,284,795
12	Earthquake	170,005	1,079	382	6,899	545,703	161,858
13	Group Accident and Health	14,797,239	265,973	272,611	218,308	4,625,767	1,052,353
14	Credit Accident and Health	384,097	-	(5,639)	877	102,599	36,747
15.1	Collectively Renewable Accident and Health	274	-	(10)	10	12	29
15.2	Non-Cancelable Accident and Health	-	-	-	-	-	32
15.3	Guaranteed Renewable Accident and Health	28,789,252	3,195	(154,941)	40,296	1,123,460	309,170
15.4	Non-Renewable Accident and Health	1,722,813	15,474	(9,911)	5,168	505,106	109,587
15.5	Other Accident Only	744,568	-	141	364	268,880	40,510
15.6	Medicare Title XVIII	-	-	-	-	-	-
15.7	All Other Accident and Health	1,033,336	22,493	67,520	64,558	651,105	135,152
15.8	Federal Employees Health Benefits Program	-	-	-	-	-	32
16	Workers' Compensation	2,210,790,968	64,519,583	85,386,537	248,821,523	78,669,998	50,865,413
17.1	Other Liability-Occurrence	1,522,370,910	93,976,798	64,612,712	316,713,829	96,281,191	15,098,183
17.2	Other Liability-Claims-Made	363,705,476	29,990,251	29,763,887	90,436,382	31,656,812	5,559,163
17.3	Excess Workers' Compensation	298,587,767	1,388,800	2,607,335	13,967,237	5,828,690	1,431,788
18	Products Liability	173,726,928	13,500,013	10,766,551	78,664,207	6,105,625	938,772
19.1	Private Passenger Auto No-Fault	1,481,063	61,744	70,109	137,862	493,228	2,002
19.2	Private Passenger Auto Liability	1,766,330,099	104,040,572	124,126,180	267,104,841	202,088,965	74,672,041
19.3	Commercial Auto No-Fault	1,330,421	35,745	65,247	144,355	(23,833)	(11,900)
19.4	Commercial Auto Liability	786,545,921	62,611,012	68,896,395	110,080,518	81,569,215	19,208,460
21.1	Private Passenger Auto Physical Damage	89,283,244	4,437,845	3,821,618	4,761,087	121,425,545	44,827,087
21.2	Commercial Auto Physical Damage	20,278,094	2,406,533	2,415,356	2,943,840	15,939,230	3,351,932
22	Aircraft (All Perils)	46,211,469	2,924,120	2,960,732	6,097,256	5,355,601	293,520
23	Fidelity	8,458,779	208,583	133,883	1,724,926	1,897,801	591,485
24	Surety	46,968,091	5,028,930	4,875,998	12,050,495	27,332,197	4,958,233
26	Burglary and Theft	1,464,491	4,973	(147,784)	253,456	799,144	144,333
27	Boiler and Machinery	9,756,973	430,844	(1,044,073)	176,220	1,933,620	848,129
28	Credit	3,342,603	162,026	151,394	29,079	9,877,945	739,415
30	Warranty	745,977	45,133	46,158	2,137	47,567	404,223
34	Aggregate Write-Ins, Other Lines of Business	61,860,651	111,081	87,392	155,901	1,566,026	746,257
35	TOTALS	9,444,552,444	508,920,428	525,852,918	1,431,281,558	1,273,773,502	377,907,625

DATA SOURCE: 2016 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

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, 2016**

Life Insurance					
<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	1,857,459,651	42,239,110	451,283,378	6,067,672	2,357,049,816
Annuity Considerations	2,648,406,332	-	719,326,256	-	3,367,732,589
Deposit-Type Contract Funds	44,997,785		201,432,123		246,429,909
Other Considerations	118,283,550	-	479,235,220	-	597,518,770
TOTALS	\$4,669,147,315	\$42,239,110	\$1,851,276,979	\$6,067,672	\$6,568,731,075
<i>Direct Dividends to Life Policyholders</i>					
Life Insurance					
Paid in Cash or Left on Deposit	23,462,981	-	872,341	5,408	24,340,730
Applied to Pay Renewal Premiums	24,494,445	-	753,873	4	25,248,322
Applied to Provide Paid-Up Additions or Shorten the Endowment or Premium-Paying Agent	147,280,745	-	33	517,875	147,798,653
Other	1,775,885	-	-	-	1,775,885
Total Life	\$197,014,052	-	\$1,626,247	\$523,287	\$199,163,586
<i>Direct Dividends to Annuity Holders</i>					
Annuities					
Paid in Cash or Left on Deposit	6,989,220	-	45,031	-	7,034,251
Applies to Provide Paid-Up Annuities	525,046	-	-	-	525,046
Other	8,389,877	-	1,431,878	-	9,821,755
Total Annuities	\$15,904,143	-	\$1,476,909	-	\$17,381,053
GRAND TOTALS	\$212,918,198	-	\$3,103,156	\$523,287	\$216,544,642
<i>Direct Claims and Benefits Paid</i>					
Death Benefits	971,437,097	13,118,932	381,915,488	10,910,489	1,377,382,009
Matured Endowments	3,621,354	-	21,259	861,222	4,503,835
Annuity Benefits	598,432,799	-	215,942,754	-	814,375,555
Surrender Values and Withdrawals for Life Contracts	2,396,864,440	-	1,306,129,795	1,687,528	3,704,681,762
Aggregate Write-Ins for Miscellaneous Direct Claims and Benefits Paid	5,496,467	-	4,449,017	1,669	9,947,153
All Other Benefits, Except Accident and Health	14,518,149	-	1,450,953	40,295	16,009,397
TOTALS	\$3,990,370,309	\$13,118,932	\$1,909,909,272	\$13,501,203	\$5,926,899,711

DATA SOURCE: 2016 Life Annual Statement (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, 2016

	Life Insurance									
	Ordinary		Credit Life		Group		Industrial		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Direct Death Benefits and Matured Endowments Incurred										
Unpaid December 31, Prior Year	7,903	171,114,092	71	1,174,317	1,577	47,166,391	(14,611)	2,446,320	(5,060)	221,901,125
Incurred During Current Year	39,963	1,091,823,373	4,224	12,999,258	16,812	400,281,204	15,769	10,885,074	76,768	1,515,988,912
Settled During Current Year										
By Payment in Full	39,997	1,044,702,451	4,216	13,112,116	16,748	392,696,437	16,080	11,040,903	77,041	1,461,551,911
By Payment on Compromised Claims	34	719,409	-	-	15	618,022	-	-	49	1,337,431
Totals Paid	\$40,031	\$1,045,421,860	\$4,216	\$13,112,116	\$16,763	\$393,314,459	\$16,080	\$11,040,903	\$77,090	\$1,462,889,342
Reduction by Compromise	2	1,498,160	-	(89,923)	10	393,695	-	-	12	1,801,932
Amount Rejected	94	4,074,842	-	(7,000)	34	2,888,940	-	-	128	6,956,782
Total Settlements	\$40,127	\$1,050,994,863	\$4,216	\$13,015,193	\$16,807	\$396,597,094	\$16,080	\$11,040,903	\$77,230	\$1,471,648,057
Unpaid December 31, Current Year	7,739	211,942,601	79	1,158,385	1,582	50,850,501	(14,922)	2,290,492	(5,522)	266,241,979
Policy Exhibit										
In Force December 31, Prior Year	2,717,101	257,050,429,667	600,495	2,778,718,265	103,961	147,111,923,258	1,022,501	546,722,221	4,444,058	407,487,793,409
Issued During Year	301,665	25,893,869,819	524,794	1,977,646,983	13,040	11,420,151,246	421	1,539,700	839,970	39,293,207,748
Other Changes to In Force (Net)	(254,167)	(19,307,626,397)	(556,739)	(2,038,148,765)	(16,328)	(12,516,831,122)	(49,132)	(38,883,489)	(876,366)	(33,901,489,770)
In Force December 31, Current Year	2,764,599	263,636,673,091	568,550	2,718,216,484	100,673	146,015,243,381	973,790	509,378,432	4,407,612	412,879,511,387

	Accident and Health Insurance					
	Direct Premiums		Dividends on Direct Business		Direct Losses Incurred	
	Direct Premiums	Direct Premium Earned	Dividends on Direct Business	Direct Losses Paid	Direct Losses Incurred	
Group Policies	1,314,658,041	1,317,565,226	326,523	989,708,338	1,021,169,853	
Federal Employees Health Benefits Program	5,287,452	5,211,336	-	4,298,362	4,405,468	
Credit (Group and Individual)	33,185,205	33,854,324	-	9,885,269	9,323,126	
Collectively Renewable Policies	450,917	459,829	-	912,492	358,393	
Medicare Title XVIII	102,882,593	103,625,987	-	73,802,839	76,037,210	
Other Individual Policies						
Non-cancellable	80,308,104	81,045,036	4,012,492	65,651,553	58,440,741	
Guaranteed Renewable	461,826,157	462,859,711	926,950	285,157,253	317,173,259	
Non-renewable for Stated Reasons Only	7,664,768	7,331,493	107,852	3,954,516	1,547,967	
Other Accident Only	1,830,070	1,795,838	-	878,394	924,421	
All Other	24,773,452	24,764,343	3,629	13,633,074	12,986,914	
Totals	\$576,402,554	\$577,796,415	\$5,050,922	\$369,274,787	\$391,073,298	
TOTALS	\$2,032,866,761	\$2,038,513,119	\$5,377,444	\$1,447,882,088	\$1,502,366,354	

DATA SOURCE: 2016 Life Annual Statement (State Page) for all companies writing business in Louisiana.

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

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APPENDIX D

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, 2016**

	<i>Total</i>	<i>Individual Comprehensive</i>	<i>Group Comprehensive</i>	<i>Medicare Supplement</i>
Total Members at End of:				
Prior Year	4,059,308	252,277	478,955	46,420
First Quarter	4,187,010	315,364	473,854	46,285
Second Quarter	4,133,864	296,813	470,317	46,140
Third Quarter	4,730,631	269,239	466,398	46,237
Current Year	4,834,410	245,688	474,252	46,124
Current Year Member Months	\$54,148,041	\$3,298,241	\$5,641,195	\$553,241
Total Member Ambulatory Encounters for Year:				
Physician	22,532,263	2,603,559	4,704,729	1,340,844
Non Physician	14,746,193	1,266,968	2,122,709	418,211
Totals	37,278,456	3,870,527	6,827,438	1,759,055
Hospital Patient Days Incurred	1,567,317	91,316	123,011	113,229
Number of Inpatient Admissions	249,871	18,651	26,537	11,242
Health Premiums Written	\$13,158,733,270	\$1,328,558,812	\$2,380,418,220	\$113,197,621
Life Premiums Direct	1,456,720	-	-	-
Property and Casualty Premiums Written	-	-	-	-
Health Premiums Earned	\$12,907,865,846	\$1,326,133,706	\$2,379,832,041	\$113,397,191
Property and Casualty Premiums Earned	-	-	-	-
Amount Paid for Provision of Health Care Services	\$10,623,128,433	\$1,178,081,425	\$1,949,601,790	\$89,043,316
Amount Incurred for Provision of Health Care Services	\$11,013,650,460	\$1,183,865,188	\$1,968,070,614	\$89,198,285

DATA SOURCE: 2016 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, 2016**

	<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>
Total Members at End of:						
Prior Year	223,727	1,376,709	74,678	245,169	1,072,340	289,033
First Quarter	226,639	1,382,012	73,984	255,119	1,077,008	336,745
Second Quarter	223,803	1,358,858	74,022	257,341	1,071,638	334,932
Third Quarter	226,069	1,685,293	73,710	260,327	1,365,883	337,475
Current Year	229,598	1,732,010	73,715	262,228	1,433,377	337,418
Current Year Member Months	\$2,708,484	\$18,263,189	\$885,829	\$3,095,898	\$14,692,162	\$5,009,802
Total Member Ambulatory Encounters for Year:						
Physician	-	-	1,015,435	5,112,488	7,754,802	406
Non-physician	40,463	7	482,005	2,748,346	7,666,340	1,144
Totals	40,463	7	1,497,440	7,860,834	15,421,142	1,550
Hospital Patient Days Incurred	-	-	43,187	547,274	649,132	168
Number of Inpatient Admissions	-	-	7,792	68,241	117,296	112
Health Premiums Written	\$17,062,910	\$253,757,847	\$448,376,514	\$3,006,666,167	\$5,403,938,742	\$206,756,437
Life Premiums Direct	-	-	-	-	-	1,456,720
Property/Casualty Premiums Written	-	-	-	-	-	-
Health Premiums Earned	\$17,062,870	\$89,346,555	\$420,521,805	\$3,006,666,167	\$5,345,836,119	\$209,069,391
Property/Casualty Premiums Earned	-	-	-	-	-	-
Amount Paid for Provision of Health Care Services	\$12,038,247	\$206,619,723	\$376,864,920	\$2,451,618,445	\$4,186,849,059	\$172,411,506
Amount Incurred for Provision of Health Care Services	\$12,065,656	\$206,736,881	\$379,827,621	\$2,456,928,339	\$4,556,366,439	\$160,591,437

DATA SOURCE: 2016 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

HEALTH MAINTENANCE ORGANIZATIONS

HEALTH MAINTENANCE ORGANIZATIONS EXHIBIT OF PREMIUMS AND LOSSES
BUSINESS IN LOUISIANA AS OF DECEMBER 31, 2016

NAIC Number	Company Name	Total Members	Direct Premium Written	Market Share	Cumulative Market Share	Direct Premium Earned	Direct Losses Incurred	Loss Ratio
95642	Humana Health Benefit Plan of Louisiana, Inc.	318,990	2,035,723,669	21.01%	21.01%	2,032,946,894	1,656,576,252	81.49%
95833	United Healthcare of Louisiana, Inc.	456,053	1,845,243,118	19.05%	40.06%	1,787,147,667	1,490,743,715	83.41%
13970	Louisiana Healthcare Connections, Inc.	472,533	1,750,365,283	18.07%	58.13%	1,750,365,283	1,505,171,665	85.99%
14143	AmeriHealth Caritas Louisiana, Inc.	222,880	908,285,840	9.38%	67.50%	908,285,840	766,427,872	84.38%
14064	Amerigroup Louisiana, Inc.	233,360	785,341,629	8.11%	75.61%	785,341,629	665,449,067	84.73%
13607	Peoples Health, Inc.	55,166	736,582,063	7.60%	83.21%	736,582,063	626,094,754	85.00%
95643	Hmo Louisiana, Inc.	143,425	720,630,997	7.44%	90.65%	720,594,238	623,053,799	86.46%
15616	Aetna Better Health, Inc.	106,258	422,512,590	4.36%	95.01%	422,512,590	370,761,776	87.75%
95584	Vantage Health Plan, Inc.	48,919	371,975,444	3.84%	98.85%	371,975,444	319,227,304	85.82%
95173	Aetna Health, Inc. Louisiana	27,738	111,235,102	1.15%	100.00%	111,235,102	86,503,131	77.77%
10 HMO's	TOTAL	2,085,322	\$ 9,687,895,735	100.00%		\$ 9,626,986,750	\$ 8,110,009,335	84.24%

DATA SOURCE: 2016 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

TITLE INSURANCE

**TITLE INSURANCE EXHIBIT OF PREMIUMS AND LOSSES
BUSINESS IN LOUISIANA AS OF DECEMBER 31, 2016**

NAIC Number	Company Name	Domicile	Direct Premium Written			Other Income	Net Premium Earned	Direct Loss & Allocated Loss Adjustment Expenses	Direct Loss Allocated Loss Adjustment Expenses Incurred	Direct Known Claim Reserves
			Direct Operations	Non-Affiliated Agencies	Affiliated Agencies					
51411	American Guaranty Title Insurance, Co.	OK	127,560	192,350	-	-	342,102	79,436	75,182	
50229	Chicago Title Insurance, Co.	FL	394,393	13,657,925	2,553,233	653,514	17,073,645	382,710	185,617	
50083	Commonwealth Land Title Insurance, Co.	FL	26,302	13,211,991	-	97,178	12,563,165	(412,926)	1,204,685	
51632	EnTitle Insurance, Co.	OH	8,186	-	-	9,390	8,162	-	57,735	
51586	Fidelity National Title Insurance, Co.	FL	310,854	24,059,182	285,519	1,121,823	24,350,279	1,407,807	1,176,980	
50814	First American Title Insurance, Co.	NE	1,318,518	5,951,409	171,370	4,042,860	7,707,116	1,536,005	3,117,881	
51527	First American Title Insurance, Company of Louisiana	LA	-	46,606,024	-	244,793	45,831,722	853,851	119,200	
50369	Investors Title Insurance, Co.	NC	2,653	17,625	-	370	67,847	6,373	1,379	
51020	National Title Insurance of New York, Inc.	NY	-	-	584,960	-	569,188	880	-	
50130	North American Title Insurance, Co.	CA	-	2,165	-	-	2,068	-	-	
50520	Old Republic National Title Insurance, Co.	FL	226,706	6,917,803	-	566,176	7,497,804	291,292	198,890	
50440	Real Advantage Title Insurance, Co.	CA	20,096	-	3,779	32,830	20,904	-	-	
50784	Security Title Guaranty Corporation of Baltimore	MD	-	3,745,921	-	128,050	3,618,109	356,637	524,657	
50121	Stewart Title Guaranty, Co.	TX	33,892	14,794,769	97,413	330,141	15,072,580	1,030,180	585,735	
50016	Title Resources Guaranty, Co.	TX	-	442,394	1,381,591	20,450	1,776,222	-	-	
50030	US National Title Insurance, Co.	MS	-	4,060	322,733	-	294,035	-	-	
51152	WFG National Title Insurance, Co.	SC	6,195	14,082,033	347,145	402,804	13,697,876	222,047	108,050	
50050	Westcor Land Title Insurance, Co.	CA	4,702	31,527	-	1,075	34,381	-	-	
18 Companies		TOTALS	\$2,480,057	\$143,717,178	\$5,747,743	\$7,651,454	\$150,527,205	\$6,816,143	\$5,795,628	\$7,355,991

DATA SOURCE: 2016 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

FRATERNAL INSURANCE

APPENDIX G – FRATERNAL INSURANCE

**FRATERNAL INSURERS EXHIBIT OF PREMIUMS AND ANNUITY CONSIDERATIONS
BUSINESS IN LOUISIANA AS OF DECEMBER 31, 2016**

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	5,786	300	2,607,801	-	-
57223	Baptist Life Association	NY	4,537	-	-	-	-
56030	Catholic Financial Life	WI	55,693	7,643	202	-	-
57770	Catholic Holy Family Society	IL	121,244	5,000	-	-	-
57347	Catholic Life Insurance	TX	566,125	1,890,061	-	-	452
57487	Catholic Order Of Foresters	IL	37,889	26,775	7,450	-	-
57991	Everence Association, Inc.	IN	239	-	1,985	-	-
56685	GBU Financial Life	PA	1,551	60	-	-	-
56154	Gleaner Life Insurance Society	MI	5,170	10,000	-	-	28
56017	Grand Lodge Benevolent Knights of America	LA	2,096	-	-	-	-
58068	Independent Order Of Foresters US Branch	NY	6,806,554	1,500	56,252	-	1,930
58033	Knights Of Columbus	CT	19,974,332	584,101	1,293,622	-	21,844,476
57835	Knights Of Peter Claver	AL	416,273	-	-	-	-
56758	Loyal Christian Benefit Association	PA	1,619	10,752	37,334	-	-
57541	Modern Woodmen Of America	IL	4,495,102	6,152,232	-	-	-
57568	National Catholic Society Of Foresters	IL	894	-	-	-	-
56073	National Mutual Benefit	WI	201	-	-	-	-
56383	Order of United Commercial Travelers	OH	20,938	-	2,120,353	-	-
58009	Police & Firemens Insurance Association	IN	787,791	564,182	1,089,134	-	21,386
57622	Polish National Alliance US of North America	IL	907	-	-	-	-
57657	Royal Neighbors Of America	IL	29,024	-	22,731	-	-
57142	Sons Of Norway	MN	358	93	-	-	-
58181	Supreme Council The Royal Arcanum	MA	13,536	-	800	-	-
56014	Thrivent Financial For Lutherans	WI	3,298,273	7,137,040	663,460	-	-
56006	Travelers Protective Association Of America	MO	-	-	3,310	-	-
56456	United States Letter Carriers Mutual Benefit	TN	29,856	72,140	20,555	-	-
56413	United Transportation Union Insurance Association	OH	129,577	46,766	141,810	-	-
58017	Western Fraternal Life Association	IA	23,209	-	-	-	2,573
57010	William Penn Association	PA	1,821	50,000	-	-	80
56170	Womans Life Insurance Society	MI	12,213	-	-	-	130
57320	Woodmen World Life Insuracne Society	NE	16,123,859	22,424,342	583,183	-	4,490,037
31 Companies		TOTALS	52,966,667	38,982,987	8,649,982	-	26,361,092

DATA SOURCE: 2016 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

GROUP SELF-INSURANCE FUNDS

APPENDIX H – GROUP SELF-INSURANCE FUNDS

**STATE OF LOUISIANA
GROUP SELF-INSURANCE PREMIUM BUSINESS
WRITTEN CALENDAR YEAR 2016**

<i>Fund Name</i>	<i>Premium Written</i>
LAC Self-Insured Fund (Cotton) ^(e)	\$6,207,404
Louisiana Association of Clerks of Court Risk Management Agency ^(b)	479,094
Louisiana Automobile Dealers Association SIF ^(e)	9,472,439
Louisiana Construction & Industry Self Insurers Fund ^(e)	31,593,482
Louisiana Health Care Self Insurance Fund ^(e)	10,032,180
Louisiana Hombuilders Association SIF ^(a)	24,168,656
Louisiana Hospital Association Workers' Compensation SIF ^(e)	6,400,051
Louisiana Housing Council Authorities Group SIF ^(a)	11,278,591
Louisiana Loggers Self-Insured Fund ^(e)	3,650,117
Louisiana Municipal Risk Management Agency ^(e)	26,966,225
Louisiana Public Schools Risk Management Agency ^(d)	5,059,676
Louisiana Restaurant Association SIF ^(e)	18,917,394
Louisiana Rural Parish Insurance Cooperative ^(e)	2,527,638
Louisiana Schools Self-Insured Group ^(b)	611,501
Police Jury Association of Louisiana ^(e)	19,560,331
Property Casualty Alliance of Louisiana ^(b)	2,417,283
TOTAL	\$179,342,062

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

^(a)As of March 31, 2016

^(b)As of June 30, 2016

^(c)As of July 31, 2016

^(d)As of October 1, 2016

^(e)As of December 31, 2016

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

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 2016-2017</i>	<i>Fiscal Year 2015-2016</i>	<i>Fiscal Year 2014-2015</i>
Self-Generated Fees	\$25,864,556	\$24,611,911	\$24,348,733
Assessments:			
<i>Health Insurance Portability and Accountability Act Assessment, Interest</i>	833,581	746,519	785,019
<i>Louisiana Insurance Rating Assessment</i>	82,651,998	85,772,293	86,903,511
<i>Insurance Fraud Investigation Assessment</i>	4,859,480	4,081,972	3,964,990
Total Assessments	\$88,345,059	\$90,600,784	\$91,653,520
Federal Funds	\$717,559	\$916,516	\$1,080,019
Miscellaneous/Other Revenue:			
<i>Louisiana Automobile Theft and Insurance Fraud Prevention Authority (Gifts, Grants, Donations), Interest</i>	1,171	5,409	8,131
<i>Income Not Available</i>	610,876	653,283	397,308
<i>Premium Taxes</i>	885,479,710	529,736,891	454,081,223
Total Other Major State Revenue	\$886,091,757	\$530,395,583	\$454,486,662
Interagency Transfers	-	-	-
TOTAL COLLECTIONS	\$1,001,018,931	\$646,524,794	\$571,568,934

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 2016-2017</i>	<i>Fiscal Year 2015-2016</i>	<i>Fiscal Year 2014-2015</i>
Certificate of Authority, Initial Certificate	22:821(B)(1), 22:269(B)(1), 22:214(B)(1)	2,500/500/25	\$149,325	\$128,450	\$107,402
Securities Fees-Registration of Securities	22:821(B)(6)	200	-	137	137
Filing a Charter, Other Documents and Amendments thereto	22:821(B)(8), 22:269(B)(2)	25/5	3,050	2,875	12,884
Approval Fee of Foreign or Alien Surplus Lines Insurers	22:821(B)(17)	1,050	183,944	181,650	180,600
Third Party Administrators-Licensing Fee	22:821(B)(15)(a)	500	12,200	11,500	15,325
Third Party Administrators-Annual Report Filing Fee	22:821(B)(15)(b)	300	109,800	108,300	101,675
Acquisition of Control or Merger with a Domestic Insurer-Statement Fee	22:821(B)(16)	2,500	5,000	2,500	5,000
Risk Purchasing Group-Registration Fee	22:821(B)(18)(a)	100	2,540	2,600	2,250
Risk Purchasing Group-Annual Renewal	22:821(B)(18)(b)	50	17,700	17,500	17,475
Viatical Settlement Broker-First Time Applicant	22:821(B)(19)(a)	50	100	150	100
Viatical Settlement Broker-Annual Renewal	22:821(B)(19)(a)	50	200	250	350
Viatical Settlement Provider-First Time Applicant	22:821(B)(19)(c)	1,000	2,100	1,100	0
Vehicle Mechanical Breakdown Insurer	22:362(A)	1,500	88,050	79,550	75,000
Medical Necessity Review Organization-Licensing Fee	22:821(B)(28)(a)	1,500	9,050	3,000	24,000
Medical Necessity Review Organization-Annual Report Filing Fee	22:821(B)(28)(b)	500	0	500	34,500
Property Residual Value Insurer-Renewal Fee	22:382	1,500	1,500	0	1,500
Dental Referral Plan-Initial License	22:1166	250	0	250	0
Dental Referral Plan-Renewal Fee	22:1166	250	0	0	500
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.	2,495,714	2,687,995	2,575,599
Producer License-Additional or Renewal Company Appointment (Yearly)	22:821(B)(3) (a-d), 22:1549(D), 22:1550(D)	20	11,898,530	12,642,020	12,063,820

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 2016-2017</i>	<i>Fiscal Year 2015-2016</i>	<i>Fiscal Year 2014-2015</i>
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.	\$3,449,425	\$3,222,030	\$3,172,967
Producer License-Surplus Line Broker-First Time Applicant	22:821(B)(3)(e)	250	62,500	72,900	74,075
Producer License-Surplus Line Broker-Renewal Fee	22:821(B)(3)(e)	350	647,400	276,800	590,150
Producer License-Failure to File Producer License Timely (Late Fee)	22:821(B)(3)(f), 22:1547(C)(2)	50	423,725	291,200	344,345
Producer License-Continuing Education Provider/Course Application Fee	22:821(B)(29)(a-b)	250/25	52,490	60,910	59,900
Producer License-Duplicate Producer License/Name Change	22:821(B)(3)(g)	15	520	710	965
Producer License-Invalid/Bad Address	22:1547(G)	50	44,150	29,450	23,750
Managing General Agent- Initial Registration	22:821(B)(14)(a)	300	2,400	1,800	2,700
Managing General Agent- Annual Registration	22:821(B)(14)(b)	300	11,400	12,530	11,400
Managing General Agent- Insurer's Initial Notice of Appointment	22:821(B)(14)(c)	300	2,400	920	1,500
Managing General Agent- Insurer's Annual Notice of Appointment	22:821(B)(14)(d)	300	12,000	13,500	11,400
Company Filing of Life, Health and Accident Insurance Policy Forms- Per Product	22:821(B)(11)(a)	100	158,501	164,700	182,875
Company Filing of Property and Casualty Insurance Policy Forms-Per Product	22:821(B)(10)(a)	100	65,995	69,880	68,931
Company Filing to Adopt a Reference or Item Filing of Advisory Organizations Form Reference Filing	22:821(B)(10)(b)	20	6,340	5,280	4,680
Company Filing of Property and Casualty Insurance Policy Endorsements, Amendments, or Riders	22:821(B)(10)(c)	25	87,965	80,360	106,529
Company Filing of Life, Health and Accident Insurance Policy Forms or Health Maintenance Organization Submission- Per Product	22:821(B)(11)(a)	100	50,000	53,275	74,370
Company Filing of Medicare Supplemental Insurance Premium Rates, Rate Schedule and Supporting Documents-Per Type	22:821(B)(11)(b)	100	16,800	13,600	14,800

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 2016-2017</i>	<i>Fiscal Year 2015-2016</i>	<i>Fiscal Year 2014-2015</i>
Company Filing of Medicare Supplement Insurance Advertisements, Per Submission	22:821(B)(11)(c)	100	\$21,000	\$20,100	\$18,900
Health Care Conference			2,000	40,175	44,640
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)		30,819	169,503	235,433
Market Conduct- Professional Service Contract	22:308, 22:705, 22:1985, 22:976(B)		0	0	31,800
Market Conduct- State Examiner	22:308, 22:705, 22:1985, 22:976(B)		33,463	23,225	300
Surplus Lines/Insurance Premium Tax- Professional Service Contract	22:308, 22:705, 22:1985, 22:976(B)		100	0	0
Annual Financial Regulation Fee/ Annual Statement (Health Maintenance Organization)	22:821(B)(2), 22:269(B)(3)(a)	1,000/250	1,376,370	1,365,615	1,382,253
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		1,469,122	356,190	350,233
Lawsuit Fees	9:2800.7(H)	5	105	430	45
Annual Premium Tax Fee (\$90,000)	22:794, 22:821(D)	90,000	90,000	90,000	90,000

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 2016-2017</i>	<i>Fiscal Year 2015-2016</i>	<i>Fiscal Year 2014-2015</i>
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	\$688	\$1,059	\$965
Professional Employer Organization New License	22:1748	500	14,600	12,600	11,800
Professional Employer Organization Renewal	22:1748	300	40,500	38,800	34,900
Limited Licensing for Motor Vehicle Rental Company-Initial License	22:1763(B)	500/100	100	1,500	500
Limited Licensing for Motor Vehicle Rental Company-Renewal	22:1763(B)	250/50	1,550	750	1,500
Service of Process	22:821(B)(22)	25	5,300	4,215	2,985
Claims Adjuster License and Registration-Business Entity-Initial License	22:821(B)(23)(a)	55	5,005	2,145	2,150
Claims Adjuster License and Registration-Business Entity-Renewal	22:821(B)(23)(a)	50	8,800	1,250	8,350
Claims Adjuster License and Registration-Resident/Non-Resident-Initial License	22:821(B)(23)(b)	55	983,438	789,463	778,810
Claims Adjuster License and Registration-Resident/Non-Resident-Renewal	22:821(B)(23)(b)	50	1,573,720	1,343,195	1,311,305
Claims Adjuster License and Registration-Catastrophe and Emergency Claims Adjuster	22:821(B)(23)(c)	25	21,125	4,300	2,125
Public Adjuster License-Business Entity-Initial License	22:821(B)(24)(a)	55	330	220	440
Public Adjuster License-Business Entity-Renewal	22:821(B)(24)(a)	50	750	150	1,200
Public Adjuster License-Resident/Non-Resident-Initial License	22:821(B)(24)(b)	55	3,630	1,760	1,540
Public Adjuster License-Resident/Non-Resident-Renewal	22:821(B)(24)(b)	50	3,550	5,250	5,400
Risk Retention Group-Initial Registration	22:821(B)(21)	1,000	7,000	5,000	4,000
Certificate of Compliance	22:821(B)(25)	10	2,632	3,139	2,700
Louisiana Automobile Theft and Insurance Fraud Prevention Authority Conference		95	16,600	0	18,100
Filing of Vehicle Mechanical Break-down Insurance Policies, Per Submission	22:821(B)(26)	25	1,575	3,500	3,250
Discount Medical Plan-Application	22:2394	250	3,500	0	0

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 2016-2017</i>	<i>Fiscal Year 2015-2016</i>	<i>Fiscal Year 2014-2015</i>
Home Service Contract Providers-Initial Registration	22:821(B)(30)(a)	600	\$0	\$0	\$2,400
Home Service Contract Providers-Renewal Fee (Every Two Years)	22:821(B)(30)(b)	250	0	250	500
Prelicensing or Continuing Education-Provider Application	22:821(B)(29)(a)	250	1,525	4,250	6,150
Prelicensing or Continuing Education-Program or Course Application	22:821(B)(29)(b)	25	0	25	25
Appraisers-First Time Applicant	22:821(B)(34)(a)	55	3,065	720	1,050
Appraisers-Renewal Fee	22:821(B)(34)(b)	50	855	1,960	1,530
Utilization Review Organization (other than a Health Insurance Issuer)-Application Fee	22:821(B)(36)(a)	1,500	22,500	46,000	22,000
Utilization Review Organization (other than a Health Insurance Issuer)-Annual Reporting Fee	22:821(B)(36)(b)	500	29,200	30,000	1,000
Independent Review Organization-Application Fee	22:821(B)(37)(a)	500	2,000	1,500	4,500
Independent Review Organization-Annual Reporting Fee	22:281(B)(37)(b)	500	8,500	3,500	500
Consultant License-First Time Applicant	22:821 (B) (38) (a-b)	75	6,375	0	0
Consultant License-Producer Renewal Fee (Every Two years)	22:821 (B) (38) (a-b)	50	300	0	0
Consultant License-Failure to File License Timely (Per License) (Late Fee)	22:821 (B) (38) (a-b)	50	50	0	0
TOTAL FEES			\$25,864,556	\$24,611,911	\$24,348,733

**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 2016-2017</i>	<i>Fiscal Year 2015-2016</i>	<i>Fiscal Year 2014-2015</i>
HIPAA Assessment	22:1071(D)(2)(a)	833,365	746,498	784,992
HIPAA Interest	22:1071(D)(3)(b)	216	21	27
TOTAL ADMINISTRATIVE FUND		\$833,581	\$746,519	\$785,019

<i>Louisiana Insurance Rating Assessment</i>	<i>Revised Statute</i>	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>	<i>Fiscal Year 2014-2015</i>
Sheriffs’ Pension Fund, Municipal Police Retirement Fund, Firefighters’ Retirement Fund	22:1476(A)(3)	65,007,190	63,535,649	60,832,458
Municipal Fire and Police Civil Service	22:1476(A)(2)	2,321,685	2,269,130	2,172,588
Department of Insurance	22:1476(B)	15,323,123	19,967,514	23,898,465
TOTAL LOUISIANA INSURANCE RATING ASSESSMENT		\$82,651,998	\$85,772,293	\$86,903,511

<i>Insurance Fraud Investigation Fund Assessment</i>	<i>Revised Statute</i>	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>	<i>Fiscal Year 2014-2015</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)	501,310	461,269	396,245
Fraud Assessment-Department of Justice - 15%	40:1428(A)	712,672	691,613	653,576
Fraud Assessment-Department of Public Safety - 75%	40:1428(A)	3,428,498	2,712,090	2,698,169
TOTAL INSURANCE FRAUD INVESTIGATION FUND ASSESSMENT		\$4,859,480	\$4,081,972	\$3,964,990

APPENDIX I – REVENUE REPORT

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

<i>Federal</i>	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>	<i>Fiscal Year 2014-2015</i>
Senior Health Insurance Information Program Grant	600,246	659,488	717,139
Premium Rate Review Grant	117,313	257,028	362,880
TOTAL FEDERAL FUNDS	\$717,559	\$916,516	\$1,080,019

<i>Louisiana Automobile Theft and Insurance Fraud Prevention Authority</i>	<i>Revised Statute</i>	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>	<i>Fiscal Year 2014-2015</i>
LATIFPA Fund (Gifts, Grants, Donations)	22:2133(2)	9	5,000	8,000
LATIFPA Fund Interest	22:2134(A)	1,162	409	131
TOTAL LATIFPA		\$1,171	\$5,409	\$8,131

<i>Income Not Available</i>	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>	<i>Fiscal Year 2014-2015</i>
Income Not Available	1,463	647,884	354,939
Income Not Available - Prior Year Accounts Receivable Collections	609,413	5,399	42,369
TOTAL INCOME NOT AVAILABLE	\$610,876	\$653,283	\$397,308

<i>Insurance Premium Taxes</i>	<i>Revised Statute</i>	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>	<i>Fiscal Year 2014-2015</i>
Medicaid-Enrollment Managed Care Organization-Bayou Health Plan	22:842(B)	427,392,092	113,412,859	51,278,390
Life, Accident and Health	22:838, 22:842, 22:270	110,387,157	96,676,027	76,659,099
Fire Casualty and Miscellaneous	22:838, 22:831	228,414,863	218,259,461	213,104,691
Surplus Lines	22:439	75,585,652	59,584,280	71,522,894
Fireman Training	22:837	3,277,199	3,200,108	3,172,454
Fire Department	22:345	22,299,168	21,961,276	21,609,815
Penalties	22:846, 22:796, 22:440	1,545,545	351,472	340,255
Retaliatory	22:836	192,040	129,871	341,892
Sub-Totals		\$869,093,716	\$513,575,354	\$438,029,490
Fire Marshal	22:835	16,385,994	16,161,537	16,051,733
TOTAL INSURANCE PREMIUM TAXES		\$885,479,710	\$529,736,891	\$454,081,223

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