

2017-2018 Annual Report



LOUISIANA DEPARTMENT OF INSURANCE

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LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON
COMMISSIONER

Honorable Members of the Louisiana Legislature:

On behalf of the Louisiana Department of Insurance (LDI), I respectfully submit for your review our Annual Report covering the time period of July 1, 2017 - June 30, 2018. This report provides a description of LDI operations, along with supporting data and documentation.

I am pleased to report Louisiana's homeowners' market is stable and competitive. Since Hurricane Katrina, the LDI has assisted with recruiting 28 new homeowners' insurance companies to Louisiana, which greatly increased competition and resulted in decreased premiums for many homeowners who shopped for lower rates. In 2004 our two largest homeowners' insurers had over 50% of the market share, which has decreased to less than 40% today. Although homeowners' rates increased by 1.5% in 2017, the increase in 2018 was only 0.7% which is less than the annual inflation rate. Similarly, workers' compensation insurance rates decrease by 5.6% in 2018, for a total decrease of 19% over the past five years.

Additionally, while Louisiana experienced significant rate increases in the individual health insurance market in 2017 and 2018, the market is now showing the first real signs of stabilization with a 6.4% rate decrease for 2019. Like all states, Louisiana has faced significant challenges in the individual market since the increased coverage mandates created by the Affordable Care Act. The rate decrease in 2019 will bring welcome relief to the market, but continued stability will depend heavily on future Federal policy decisions.

Furthermore, we are seeing positive developments and signs of stabilization in the auto insurance market. In the last eleven months I have approved three rate decreases totaling 7.7% for State Farm, which insures one-third of auto insurance policyholders in Louisiana. Additionally, as requested by the Legislature, the LDI formed the High Auto Rate Task Force to study the causes of high auto rates and propose solutions to the Legislature. Further efforts, including reduction of distracted driving and litigation reforms, are critical to building on these improvements.

While our staff works to protect the interests of consumers in all areas of insurance, they also supported our community by pledging \$14,636 in the 2018 State Combined Charitable Campaign, an increase of 36% over 2017 donations, and donating the equivalent of 428 meals 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. I look forward to working with you to continue to strengthen Louisiana's insurance market for the benefit of our citizens and businesses.

Very Truly Yours,

James J. Donelon
Commissioner of Insurance



2017 – 2018

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, 2017
ENDING JUNE 30, 2018**

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 2017 - 2018 FISCAL YEAR**

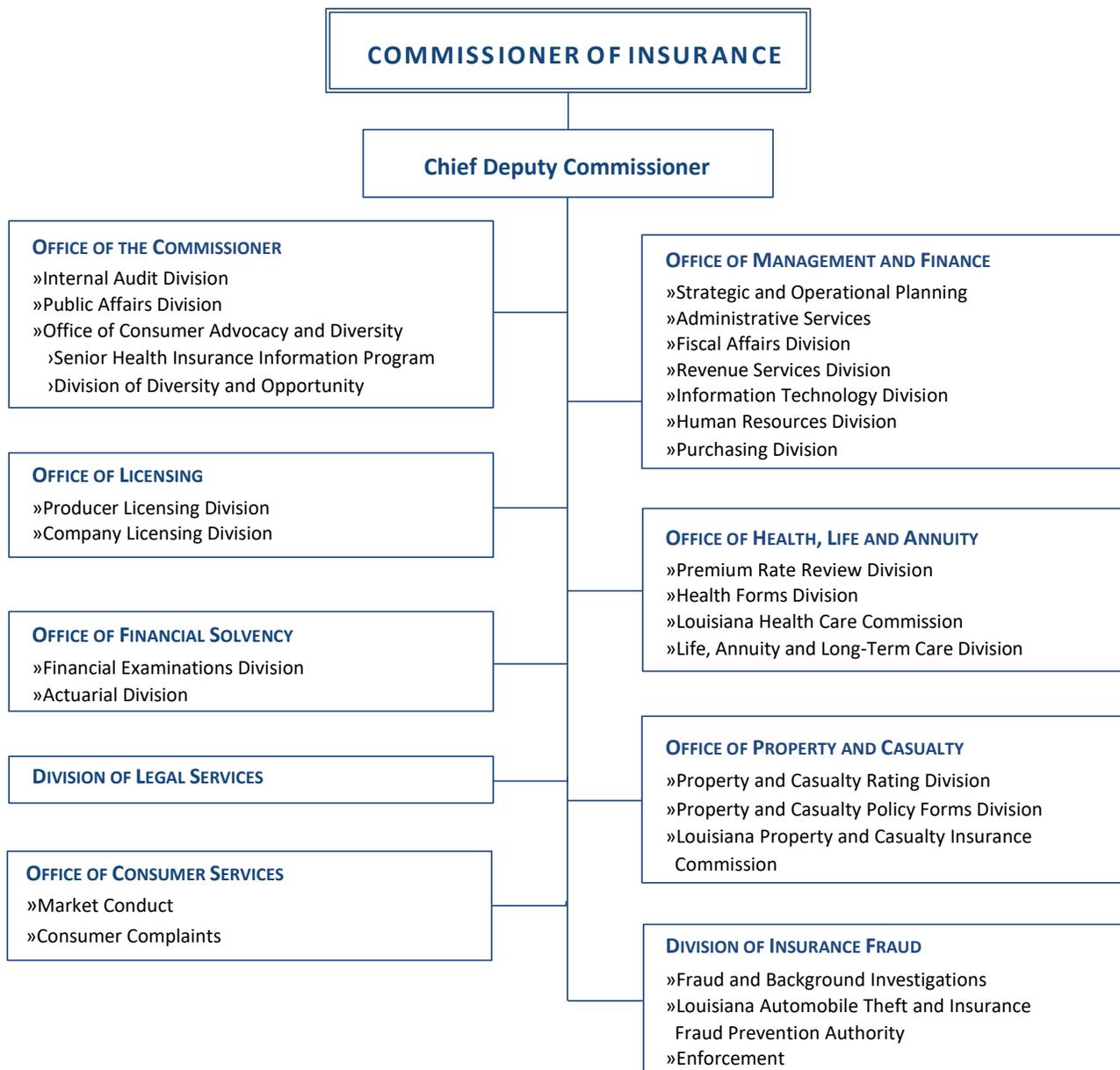


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Executive Summary

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 contractual responsibilities and secondly, safeguarding that insurers abide by the law and treat policyholders fairly. By verifying that Louisiana’s insurers 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 \$31.1 million, including \$716,006 in federal funds.

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. The public can 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.lidi.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 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 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

During the 2017-2018 Fiscal Year, the division has supported several department events with planning assistance, event materials and photography. The division also planned and executed a media roundtable with FEMA representatives and Department of Insurance staff to answer questions about the August 2016 flood event and the Proof of Loss form deadline.

This year the division managed an updated Louisiana Automobile Theft and Insurance Fraud Prevention Authority (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 campaign included commissioning 30-second radio and television advertisements that ran on stations across the state. The advertisements also ran on LSU radio as well as appearing on gas station television screens at the pump.

Public Affairs designed a presentation to be used for the orientation of new employees which provides information on the mission of the Department with a breakdown of the various roles played by the office and divisions. The division also scripted a short video with the help of Civil Service's Comprehensive Public Training Program for new employee orientation.

Public Affairs also worked with the Senior Health Insurance Information Program (SHIIP) to create a Medicare Open Enrollment Guide through video and print publications. The division also shoots a live Facebook video with SHIIP representatives twice a month that focuses on Medicare updates and tips. The division creates a special graphic and scripts for these presentations.

In addition, Public Affairs collaborated with the Information Technology Division to create new tools for the website including an interactive "Insurance Checkup Tool" with results pages for consumers to learn about insurance products that may be helpful to their specific situations, and a "License Renewal Quick Check" for agents renewing their licenses after legislation changes. The division also designed and mailed postcards to agents statewide to announce the change.

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.

The Office of Consumer Advocacy and Diversity focuses 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	185	0	52.61%
Health	90	0	24.91%
Life, Annuity and Long-Term Care	61	0	22.48%
TOTALS	336	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 2017-2018</i>	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>
Speaking Engagements	60	52	46
Informational Packets Distributed	12,060	4,898	4,164

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 2017-2018</i>	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>
Number of Hours Logged by Counselors	27,353	17,556	15,792
Number of Seniors Receiving Services (provided via telephone, email, postal mail and face-to-face contact)	73,838	52,398	45,361
Estimated Savings to Counseled Senior Health Clients	\$4,267,808	\$1,564,837	\$1,183,532
Number of Senior Health Group Presentations Provided (health fairs, senior fairs and enrollment events)	476	467	403
Number of Individuals in Attendance at Presentations	36,454	26,558	12,464
Number of Senior Health Counselor Training Sessions Conducted	8	8	6
Number of Persons Provided Enrollment Assistance	6,302	7,940	7,252

* 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 by providing information on the qualifications and requirements to obtain those contracts.
- 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.
- Administers 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 106 inquiries, two 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 23 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 titled *Managing Risks for Your Business* and *Managing Risk for Your Place of Worship*
- The Division of Diversity & Opportunity has developed a comprehensive Careers in Insurance Program to create awareness of opportunities in the insurance industry through education, outreach programs, internships and job shadowing and assisting in the preparation for those opportunities.
- The Division of Diversity & Opportunity established the InVest Program at eight high schools in Louisiana. Programs are at Zachary High School in Zachary; Broadmoor High School, Beldre High School, Scotlandville Magnet High School and McKinley High School in Baton Rouge; St. Augustine High School in New Orleans; Jeanerette High School in Jeanerette and River Oaks High School in Monroe.
- The Division of Diversity & Opportunity also established collegiate InVest Programs at three Louisiana universities: Southern University, Baton Rouge; the University of Louisiana at Monroe and the University of Louisiana at Lafayette.
- 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 in 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 the Southern University System to promote their insurance programs.

OFFICE OF THE COMMISSIONER
OFFICE OF CONSUMER ADVOCACY AND DIVERSITY

- The Division of Diversity & Opportunity worked closely with the National and Local Chapters of the National African American Insurance Association to develop opportunities for minorities in insurance and to increase minority participation in Louisiana.

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

	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>
Producers/Agencies Assisted	25	32	29
Consumer/Producer Complaints/General Information Cases Handled	35	107	79
Complaints Referred to Advisory Committee	0	0	0
Training/Seminars Conducted	23	20	3
Training/Seminar Attendees	932	1,361	674
Business Plan Assistance	1	3	2
Company Positions Posted	2	2	2
Industry Jobs Obtained from Postings	0	0	2
Producers Assisted with Obtaining Contracts	2	3	5
Students Who Completed Invest Program	337	127	160

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, <https://www.youtube.com/user/LAInsuranceDept>. Viewers can watch informational videos on insurance topics.

The Consumer Advocacy and Medicare Update monthly newsletter, <https://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 seven 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
- 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 2018 Regular Legislative Session, the division provided information to the Legislative Fiscal Office for its development of eighteen fiscal notes. In Fiscal Year 2017-2018, the department tracked and reported on 33 key (quarterly) performance indicators and 12 supporting (semi-annual) performance indicators and provided general performance data in 96 reportable areas. To view the department's performance information, in addition to the activity information contained in this annual report, visit <https://www.doa.la.gov/Pages/opb/lapas/login.aspx#View>.

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 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 operations in conjunction with the Information Technology Division and associated contractors.

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 oversees the development of changes to the agency’s operating budget.

FISCAL

The Fiscal Section deposits revenue to the State Treasury, handles accounts payable and receivable, and travel.

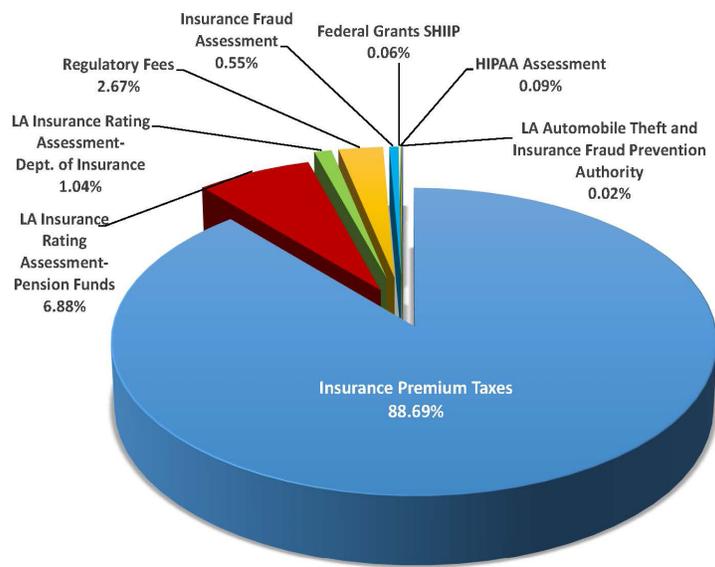
TOTAL DEPARTMENT FUND SOURCES

For Fiscal Year 2017-2018, the Department of Insurance receipts totaled \$1 billion. Insurance Premium Tax represents the largest portion at 88.69 percent, or \$892.9 million. In addition to the Insurance Premium Taxes, the department collections include Pension Fund Assessments (Louisiana Insurance Rating) at 6.88 percent, or \$69.3 million; Regulatory Fees and Louisiana Insurance Rating Assessment at 3.71 percent, or \$37.4 million; and the Insurance Fraud Assessment at 0.55 percent, or \$5.51 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 – \$562,768.47) and Income Not Available represent the bulk of collections at 96.07 percent, or \$967.23 million, and are not used to finance the department’s operations.

The remaining 3.94 percent, or \$39.62 million, represents a combination of regulatory fees and the Louisiana Insurance Rating Assessment, the Health Insurance Portability and Accountability Act Assessment (HIPAA), Federal Grant for the Senior Health Insurance Information Program, Insurance Fraud Assessment (LDI portion only – \$562,768.47) 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 2017-2018</i>		<i>Fiscal Year 2016-2017</i>	
Insurance Premium Taxes	88.69%	\$892,965,199.24	88.46%	\$885,479,710.44
Louisiana Insurance Rating Assessment - Pension Funds	6.88%	69,311,089.73	6.73%	67,328,875.53
Louisiana Insurance Rating Assessment - Department of Insurance	1.04%	10,516,165.09	1.53%	15,323,122.98
Regulatory Fees and Licenses	2.67%	26,871,594.82	2.58%	25,864,555.58
Insurance Fraud Assessment	0.55%	5,507,663.71	0.47%	4,672,480.18
Federal Grants	0.06%	552,067.00	0.07%	717,559.00
Health Information Portability and Accountability Act Assessment (HIPAA)	0.09%	923,928.09	0.08%	833,581.27
Income Not Available*	0.00%	9,569.11	0.06%	610,876.47
Louisiana Automobile Theft and Insurance Fraud Prevention Authority	0.02%	190,264.00	0.02%	188,171.00
TOTALS	100.0%	\$1,006,847,540.79	100.0%	\$1,001,018,932.45

*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 \$1.007 billion collected in Fiscal Year 2017-2018, \$893 million was classified as State General Funds and \$114 million was used to finance programs. Among the dedicated programs receiving funding were various law enforcement and firefighter retirement programs, which received \$66.9 million, and Municipal Fire and Police Civil Service, which received \$2.4 million of the funds collected.

The collection of \$39.6 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

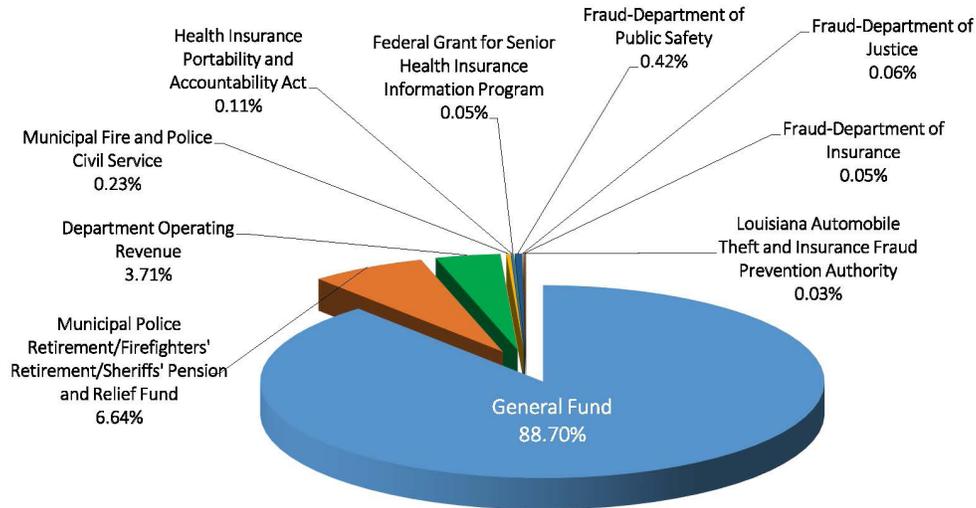


TABLE 6 TOTAL DEPARTMENT COLLECTION OF FUNDS TWO-YEAR HISTORY

	<i>Fiscal Year 2017-2018</i>		<i>Fiscal Year 2016-2017</i>	
General Fund	88.70%	\$892,974,768.35	88.50%	\$886,090,586.91
Municipal Police Retirement/Firefighters' Retirement/Sheriffs' Pension and Relief Fund	6.64%	66,921,052.07	6.50%	65,007,190.17
Department Operating Revenue	3.71%	37,387,759.91	4.12%	41,187,678.56
Municipal Fire and Police Civil Service	0.23%	2,390,037.86	0.23%	2,321,685.36
Health Insurance Portability and Accountability Act	0.11%	1,105,991.20	0.09%	940,942.87
Federal Grant for the Senior Health Insurance Information Program	0.05%	552,067.00	0.07%	717,559.00
Fraud Assessment: Department of Public Safety	0.42%	4,272,025.94	0.34%	3,428,497.87
Fraud Assessment: Department of Justice	0.06%	672,869.30	0.07%	712,672.22
Fraud Assessment: Department of Insurance	0.05%	562,770.56	0.05%	531,310.09
Louisiana Automobile Theft and Insurance Fraud Prevention Authority	0.03%	271,980.69	0.03%	256,741.59
TOTALS*	100.0%	\$1,007,111,322.88	100.0%	\$1,001,194,864.64

*Total includes \$263,781.89 of carry forward funds from Fiscal Year 2016-2017. (\$2.09 of Fraud - Carry Forward and \$81,716.69 of Louisiana Automobile Theft and Insurance Fraud Prevention Authority - Carry Forward and \$182,063.11 of Health Information Portability and Accountability Act.)

STATEMENT OF REVENUES AND EXPENDITURES

TABLE 7

<i>Revenues</i>	
Insurance Premium Taxes	\$892,965,199.24
Louisiana Insurance Rating Assessment - Pension Fund	69,311,089.73
Regulatory Fees	26,871,594.82
Louisiana Insurance Rating Assessment - LDI	10,516,165.09
Insurance Fraud Assessment	5,507,663.71
Fraud - Carry Forward from Fiscal Year 2016-2017	2.09
Health Insurance Portability and Accountability Act Assessment	923,928.09
Health Insurance Portability and Accountability Act - Carry Forward from Fiscal Year 2016-2017	182,063.11
Louisiana Automobile Theft and Insurance Fraud Prevention Authority	190,264.00
Louisiana Automobile Theft and Insurance Fraud Prevention Authority - Carry Forward from Fiscal Year 2016-2017	81,716.69
Federal Grant - Senior Health Insurance Information Program	552,067.00
Income Not Available	9,569.11
Total Revenues	\$1,007,111,322.68
<i>Expenditures</i>	
Personal Services	\$21,860,822.45
Travel	157,341.50
Operating Services	2,070,588.01
Supplies	114,602.15
Professional Services	2,995,947.29
Other Charges	187,196.01
Capital Outlay	531,583.29
Interagency Transfers	1,738,008.77
Total Expenditures	\$29,656,089.47
<i>Transfer Out</i>	
General Fund	\$892,974,768.35
Reversion to General Fund	9,933,942.83
Municipal Police Retirement/Firefighters' Retirement/Sheriffs' Pension and Relief Fund	66,921,052.07
Municipal Fire and Police Civil Service	2,390,037.66
Insurance Fraud Assessment: Department of Public Safety Department of Justice	4,272,025.94 672,869.30
Budget Reductions: Insurance Fraud Assessment (None in Fiscal Year 2017-2018)	0.00
Total Transfer Out	\$977,164,696.15
<i>Funds Carried Forward Into Fiscal Year 2018-2019</i>	
Insurance Fraud Assessment	\$48,362.18
Health Insurance Portability and Accountability Act	157,390.20
Louisiana Automobile Theft and Insurance Fraud Prevention Authority	84,784.68
Total Funds Carried Forward	\$290,537.06

BUDGET

The Budget Section 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.

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, 2017, this division collected \$734,594,899 in taxes from licensed insurers and \$68,578,317 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 2017 was .00835 percent of 2016 premiums. As such, the Louisiana Insurance Rating Assessment was \$79,828,086 based on \$9,560,249,883 of premiums, with no credits allowed to domestic or foreign insurers.

The Insurance Fraud Assessment in 2017 was 0.000375 of 2016 premiums. As such, the Insurance Fraud Assessment was \$5,913,185 based on \$9,952,401,224 of property and casualty premiums and \$5,816,094,194 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
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>
2017	\$6,398,513,767	144,015,560	99,053,747
2016	\$6,680,908,350	150,405,445	100,279,022
2015	6,651,700,981	149,747,260	98,615,229
<i>Fire and Casualty Companies</i>			
2017	10,682,455,362	319,155,750	245,276,652
2016	10,275,343,914	308,420,000	224,069,679
2015	10,014,633,304	300,590,410	216,869,799
<i>Health Maintenance Organizations (Includes Healthy La)</i>			
2017	8,574,877,631	471,618,270	386,826,815
2016	7,296,852,075	401,326,864	318,806,731
2015	4,923,076,937	110,770,165	86,283,648
<i>Title Companies</i>			
2017	159,835,408	4,798,670	3,437,984
2016	152,070,863	4,565,200	3,303,067
2015	147,987,004	4,442,315	3,121,734
<i>Surplus Lines Producers</i>			
2017	1,414,667,334	68,578,317	68,578,317
2016	1,385,062,135	67,181,354	67,181,354
2015	1,375,874,400	68,346,399	68,346,399
TOTALS			
2017	27,230,349,502	1,008,166,567	803,173,216
2016	25,790,237,337	931,898,863	713,639,853
2015	23,113,272,626	633,896,549	473,236,809

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 application system development/maintenance, network access/addressing/security, data storage/security, and coordination with the department's Business Continuity Plan and Disaster Recovery of computer resources.

Other critical support involves computer and peripheral resource allocation/deployment/maintenance, remote access services, operating system 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 the following 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 2017-2018 was the decommission of the SharePoint Server and migration of the workflows to the EmployeePortal. The SharePoint server had a growing cost of maintenance and was at a point that major rewriting of code would have been needed, in addition to, ongoing technical cost to maintain an entire SharePoint environment.

Other projects realized during the fiscal year were:

- Management Finance System - The Information Technology Division updated the Travel Authorization documents, workflows and approvals and placed them in an application system. This system works with the full process of travel, including documentation of expenses, budget approval and final disbursement of expenses.
- Management Finance System Mobile App - The Information Technology Division worked with purchasing and other key stakeholders to create a mobile version of the purchasing workflow. This mobile version allows the viewing of the status of specific steps of the purchasing process.

The Information Technology Division completed 5,660 service requests from users during Fiscal Year 2017-2018. These service requests range from minor problems with personal computers to new required functionality for a department-developed application system.

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, 2018, the LDI had 224 total employees. Of this total, there were 195 classified employees, 26 unclassified employees and 3 students. In Fiscal Year 2017-2018, 81 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 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.lidi.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.lidi.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 2017-2018, Louisiana had 142,738 actively licensed producers and 80,305 actively licensed adjusters.

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

	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>
Resident Life, Health and Accident Licenses Issued	3,580	3,792	3,987
Nonresident Life, Health and Accident Licenses Issued	13,202	11,578	13,804
Resident Property and Casualty Licenses Issued	1,614	1,657	1,917
Nonresident Property and Casualty Licenses Issued	11,255	10,187	10,179
Claims Adjuster Licenses Issued	19,293	17,273	13,943
Public Adjuster Licenses Issued	56	72	33
Company Appointments Processed	633,596	569,627	585,158
Producer License Renewal Applications Processed	56,223	69,714	63,984
Adjuster License Renewal Applications Processed	48,590	-	-
Number of Insurance Exams Monitored	11,025	10,908	-
Continuing Education Course Applications Approved	1,532	1,472	1,371

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 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>	<i>Prior Year Actual Fiscal Year 2017-2018</i>
Percentage of first time applications submitted electronically	97.1%	98.5%	99.3%	99.2%	99.4%
Percentage of renewal applications submitted electronically	97.2%	97.5%	98.4%	99.3%	99.4%

LOUISIANA 1401 LIFE INSURANCE EXAM RESULTS REPORT CALENDAR YEAR 2018

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, 2018 to December 31, 2018, 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 2018

<i>Gender</i>	<i>Fail</i>	<i>Pass</i>	<i>Total</i>	<i>Percent of Total</i>
Female	426	410	836	58.42%
Percent Female	50.96%	49.04%	100.00%	
Percent Fail or Pass	62.74%	54.52%		
Male	238	330	568	39.69%
Percent Male	41.90%	58.10%	100.00%	
Percent Fail or Pass	35.05%	43.88%		
Chose Not to Respond	13	10	23	1.61%
Percent Chose Not to Respond	56.52%	43.48%	100.00%	
Percent Fail or Pass	1.91%	1.33%		
Left Blank	2	2	4	0.28%
Percent Left Blank	50.00%	50.00%	100.00%	
Percent Fail or Pass	0.29%	0.27%		
Total	679	752	1,431	100.00%
Percent Fail or Pass	47.45%	52.55%	100.00%	
Percent of Total	100.00%	100.00%		

FIRST TIME TAKERS BY ETHNICITY AND FAIL/PASS STATUS **TABLE 12**
CALENDAR YEAR 2018

<i>Ethnicity</i>	<i>Fail</i>	<i>Pass</i>	<i>Total</i>	<i>Percent of Total</i>
Asian American/Pacific Islander	11	11	22	1.54%
Percent Asian Americans/Pacific Islanders	50.00%	50.00%	100.00%	
Percent Fail or Pass	1.62%	1.46%		
Black/African-American	444	336	780	54.51%
Percent Blacks/African-Americans	56.92%	43.08%	100.00%	
Percent Fail or Pass	65.39%	44.68%		
Hispanic/Latin American	24	25	49	3.42%
Percent Hispanics/Latin Americans	48.98%	51.02%	100.00%	
Percent Fail or Pass	3.53%	3.32%		
Native American	1	4	5	0.35%
Percent Native Americans	20.00%	80.00%	100.00%	
Percent Fail or Pass	0.15%	0.53%		
Caucasian/White (non-Hispanic)	176	349	525	36.69%
Percent Caucasians/Whites (non-Hispanic)	33.52%	66.48%	100.00%	
Percent Fail or Pass	25.92%	46.41%		
Chose Not to Respond	21	25	46	3.21%
Percent Chose Not to Respond	45.65%	54.35%	100.00%	
Percent Fail or Pass	3.09%	3.32%		
Left Blank	2	2	4	0.28%
Percent Left Blank	50.00%	50.00%	100.00%	
Percent Fail or Pass	0.29%	0.27%		
Total	679	752	1,431	100.00%
Percent Fail or Pass	47.45%	52.55%	100.00%	
Percent of Total	100.00%	100.00%		

**TABLE 13 FIRST TIME TAKERS BY ETHNICITY, GENDER AND FAIL/PASS STATUS
CALENDAR YEAR 2018**

<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	9	2	0	0	11
Percent Asian Americans/Pacific Islanders Who Failed	81.82%	18.18%	0.0%	0.0%	100.0%
Percent Gender Group Who Failed	2.11%	0.84%	0.0%	0.0%	
Black/African-American	299	144	1	0	444
Percent Blacks/African-Americans Who Failed	67.34%	32.43%	0.23%	0.0%	100.0%
Percent Gender Group Who Failed	70.19%	60.50%	7.69%	0.0%	
Hispanic/Latin American	14	10	0	0	24
Percent Hispanics/Latin Americans Who Failed	58.33%	41.67%	0.0%	0.0%	100.0%
Percent Gender Group Who Failed	3.29%	4.20%	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%	0.42%	0.0%	0.0%	
Caucasian/White (non-Hispanic)	97	79	0	0	176
Percent Caucasians/Whites (non-Hispanic) Who Failed	55.11%	44.89%	0.0%	0.0%	100.0%
Percent Gender Group Who Failed	22.77%	33.19%	0.0%	0.0%	
Chose Not to Respond	7	2	12	0	21
Percent Chose Not to Respond Who Failed	33.33%	9.52%	57.14%	0.0%	100.0%
Percent Gender Group Who Failed	1.64%	0.84%	92.31%	0.0%	
Left Blank	0	0	0	2	2
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	426	238	13	2	679

<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	6	5	0	0	11
Percent Asian Americans/Pacific Islanders Who Passed	54.54%	45.45%	0.0%	0.0%	100.0%
Percent Gender Group Who Passed	1.46%	1.16%	0.0%	0.0%	
Black/African-American	223	113	0	0	336
Percent Blacks/African-Americans Who Passed	66.37%	33.63%	0.0%	0.0%	100.0%
Percent Gender Group Who Passed	54.39%	36.74%	0.0%	0.0%	
Hispanic/Latin American	11	14	0	0	25
Percent Hispanics/Latin Americans Who Passed	44.0%	56.0%	0.0%	0.0%	100.0%
Percent Gender Group Who Passed	2.68%	2.09%	0.0%	0.0%	
Native American	2	2	0	0	4
Percent Native Americans Who Passed	50.0%	50.0%	0.0%	0.0%	100.0%
Percent Gender Group Who Passed	0.49%	0.70%	0.0%	0.0%	
Caucasian/White (non-Hispanic)	160	189	0	0	349
Percent Caucasians/Whites (non-Hispanic) Who Passed	45.85%	54.15%	0.0%	0.0%	100.0%
Percent Gender Group Who Passed	39.02%	58.60%	0.0%	0.0%	
Chose Not to Respond	8	7	10	0	25
Percent Chose Not to Respond Who Passed	32.0%	28.0%	100.0%	0.0%	100.0%
Percent Gender Group Who Passed	1.95%	0.70%	100.0%	0.0%	
Left Blank	0	0	0	2	2
Percent Left Blank Who Passed	0.0%	0.0%	0.0%	100.0%	100.0%
Percent Gender Group Who Passed	0.0%	0.0%	0.0%	100.0%	
Totals	410	330	10	2	752

FIRST TIME TAKERS BY HIGHEST LEVEL OF EDUCATION AND FAIL/PASS STATUS **TABLE 14**
CALENDAR YEAR 2018

<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	190 61.89% 27.98%	117 38.11% 15.56%	307 100.00%	21.45%
Some College Percent of this Education Level Percent of Fail or Pass	269 48.47% 39.62%	286 51.53% 38.03%	555 100.00%	38.78%
Two-Year College Degree (Associate Degree) Percent of this Education Level Percent of Fail or Pass	76 49.03% 11.19%	79 50.97% 10.51%	155 100.00%	10.83%
Four-Year College Degree (Bachelor's Degree) Percent of this Education Level Percent of Fail or Pass	99 35.87% 14.58%	177 64.13% 23.54%	276 100.00%	19.29%
Advanced Degree (Master's Degree or Doctorate) Percent of this Education Level Percent of Fail or Pass	21 21.88% 3.09%	75 78.12% 9.97%	96 100.00%	6.71%
Chose Not to Respond Percent Chose Not to Respond Percent of Fail or Pass	24 57.14% 3.21%	18 42.86% 2.2%	42 100.00%	2.94%
Totals	679	752	1,431	100.0%

FIRST TIME TAKERS BY PRIMARY LANGUAGE AND FAIL/PASS STATUS **TABLE 15**
CALENDAR YEAR 2018

<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	628 46.80% 92.49%	714 53.20% 94.95%	1,342 100.0%	93.78%
Spanish Percent of Spanish Language Percent of Fail or Pass	14 53.85% 2.06%	12 46.15% 1.60%	26 100.0%	1.82%
French Percent of French Language Percent of Fail or Pass	5 62.50% 0.74%	3 37.50% 0.40%	8 100.0%	0.56%
Other Percent of Other Language Percent of Fail or Pass	10 66.67% 1.47%	5 33.33% 0.67%	15 100.0%	1.05%
Chose Not to Respond Percent of Chose Not to Respond Percent of Fail or Pass	22 55.00% 3.24%	18 45.00% 2.40%	40 100.0%	2.80%
Totals	679	752	1,431	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 application 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)	2	1	0	0	1
Dissolutions	1	1	0	0	0
Acquisitions/Mergers	3	1	0	0	2
Form A Exemption Requests	15	4	1	1	9
Regulation 66 Requests*	118	89	3	5	21
Letters of No Objection to Expansion	7	5	2	0	0
Health Maintenance Organization Service Area Expansions	0	0	0	0	0
Mutual Holding Company Conversions	0	0	0	0	0
Article Amendments	8	5	0	1	2
Health Maintenance Organizations	1	0	0	0	1
Subtotal	155	106	6	7	36
Foreign					
Certificates of Authority (Initial)	26	12	0	4	10
Surplus Lines Approvals (Initial)	12	9	0	0	3
Accredited Reinsurers	0	0	0	0	0
Mergers	6	6	0	0	0
Withdrawals	28	25	0	1	2
Acquisitions	34	27	0	0	7
Subtotal	106	79	0	5	22
Domestic, Foreign and Alien					
Third Party Administrator Exceptions	0	0	0	0	0
Third Party Administrator Applications	31	19	0	2	10
Risk Purchasing Groups	24	17	1	0	6
Risk Retention Groups	6	4	0	1	1
Medical Discounts Plans	14	11	0	0	3
Dental Referral Plans	0	0	0	0	0
Viatical Settlement Brokers	1	1	0	0	0
Viatical Settlement Providers	0	0	0	0	0
Security Registrations	1	1	0	0	0
Security Exemptions	1	1	0	0	0
Utilization Review Organizations Applications	7	4	0	1	2
Independent Review Organizations Applications	3	3	0	0	0
Specialty Insurers - Vehicle Mechanical Breakdown Insurers	3	2	0	0	1
Amendments of Certificate of Authority/Article Amendments	68	58	0	2	8
Adding Lines to Certificate of Authority	28	23	0	0	5
Certificates of Compliance	71	65	2	1	3
Multiple Employer Welfare Arrangement	1	1	0	0	0
Viatical Investment Agents	0	0	0	0	0
Subtotal	259	210	3	7	39
TOTALS	520	395	9	19	97

*Regulation 66 is no longer processed separately when a company applies for a Domestic Certificate of Authority.

OFFICE OF LICENSING
COMPANY LICENSING DIVISION

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

	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>
Risk Bearing			
Domestic			
Domestic Insurers	92	94	93
Domestic Health Maintenance Organizations	11	12	12
Captives	2	2	2
Total Domestics	105	108	107
Non-Domiciliary			
Foreign/Alien Insurers Admitted	1,323	1,307	1,302
Surplus Lines (estimated)	194	184	188
Total Non-Domiciliaries	1,517	1,491	1,490
Other			
Risk Retention Groups	87	86	81
Vehicle Mechanical Breakdowns	65	61	53
Accredited Reinsurers	13	13	13
Property Residual Values	2	2	2
Multiple Employer Welfare Arrangements	2	1	1
Total Other	169	163	150
TOTAL RISK BEARING	1,791	1,762	1,747
Non-Risk Bearing			
Third Party Administrators	372	368	362
Risk Purchasing Groups	238	226	213
Utilization Review Organizations	75	70	54
Discount Medical Plans	28	26	25
Viatical Settlement Providers	14	14	13
Independent Review Organizations	14	12	11
Home Service Contract Providers	0	2	10
Viatical Settlement Brokers	5	7	5
Security Registrations	1	1	1
Dental Referral Plans	3	3	4
Viatical Investment Agents	0	0	0
TOTAL NON-RISK BEARING	750	729	698
TOTALS	2,541	2,491	2,445

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, <https://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 fifteen 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 fifteen 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 fifteen 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	45
Rates Not Subject to Review	0
Reasonable Findings	50
Unreasonable Findings	0
Rates Disapproved	0
Filings Withdrawn	1

One filing was withdrawn due to issues with forms submitted. The issue was not rate-related.

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 2017-2018</i>	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>
Policy Forms, Advertisements and Rates Received			
Forms Received	5,391	3,287	3,661
Advertisements Received	934	550	804
Rate Forms Received	1,228	1,218	1,262
TOTALS	7,553	5,055	5,727
Policy Forms, Advertisements and Rates Processed			
Approved	5,802	4,936	4,629
Accepted/Filed	151	174	191
Acknowledged/Informational	81	41	107
Disapproved	1,289	252	378
Withdrawn by Company	193	168	194
TOTAL PROCESSED	7,516	5,571	5,499
Policy Forms, Advertisements and Rates Pending			
All Health Policy Forms, Advertisements and Rate Filings Pending at End of Fiscal Year	855	711	964

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 2017-2018</i>	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>
Comprehensive Coverage Types			
Major Medical	545	524	579
Health Maintenance Organization	665	601	572
Short-Term Major Medical	22	17	39
Limited Benefit Coverage Types			
Medicare Supplement/Select	1,716	1,271	1,551
Disability	477	504	434
Dental	451	393	567
Hospital Indemnity	365	232	193
Accident Only	758	420	474
Cancer/Dread Disease	142	141	134
Miscellaneous	2,098	475	736
Accidental Death/Dismemberment	76	110	161
Critical Illness	158	236	158
Vision	80	131	129
TOTALS	7,553	5,055	5,727

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 2017 Calendar Year which were subject to assessment totaled \$4,009,564,555. These premiums were assessed at .00023 percent. A total of \$922,190.31 was collected from 29 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	1
Independent Review Organization Applications Approved	1
Independent Review Organization Applications Pending Final Action	0
Utilization Review Organization Applications Received	7
Utilization Review Organization Applications Approved	6
Utilization Review Organization Applications Pending Final Action	1

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 55 percent of all comprehensive coverage forms and about 0.88 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.

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 conducts 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

November 17, 2017

The first meeting of the fiscal year for the Louisiana Health Care Commission was held on November 17. The director of client services & Telehealth project coordinator with the TexLa Telehealth Resource Center presented an overview of Telehealth Services in Louisiana and its impact on cost and the health care delivery system.

Next, the assistant director and medical director for the Office of Behavioral Health, Louisiana Department of Health, provided an update on the Louisiana Department of Health's efforts to provide access to cost effective behavioral health treatment to the Medicaid population. He reported an e-Task Force on Telehealth was created in the 2014 Regular Legislative session to function as an advisory body to the Legislature, the Louisiana Department of Health and the U.S. Department of Health and Human Services, on policies and practices that expand Telehealth Services. He reported great progress was being made state-wide with

several grants being awarded in 2016. He also reported that with the expansion of access to telemedicine services, remote prescribing of medicine commonly used for substance abuse or mental health treatment was now available.

Next, the assistant secretary/medical director of the Office of Behavioral Health (OBH) at the Louisiana Department of Health presented an overview of services, processes and continuum of care. He stated the OBH was charged with the oversight and management of behavioral health services for adults and children with severe mental illness, serious emotional/behavioral disorders, acute mental illness and substance use and addictive disorders. Services are provided for Medicaid, non-Medicaid eligible, private pay and self-pay populations.

Additionally, he reported the Louisiana Department of Health submitted a request for a Section 1115 Medicaid Demonstration Waiver to the Center for Medicare and Medicaid Services August 15, 2017, and re-submitted it on November 7, 2017, in order to maintain the status quo with both inpatient psychiatric services and SUD residential treatment in Institutions for Medical Disease. This waiver allows CMS to waive certain standard requirements in order to approve experimental, pilot or demonstration projects that promote the objectives of Medicaid programs, including the Children's Health Insurance Program in addressing substance use disorder services.

Finally, the exchange coordinator and healthcare economist for Blue Cross, presented the latest developments on healthcare reform. More information on Healthcare Reform in the Trump Era: The Fate of the Patient Protection & Affordable Care Act can be found at: <https://ldi.la.gov/docs/default-source/documents/health/lhcc/presentations/lhcc-bertaut.pdf>.

March 23, 2018

The next meeting of the Louisiana Health Care Commission was held on March 23, 2018.

The legislative liaison for the Department presented LDI's legislation package:

- HB 206 – Provides for the admission of convicted felons in the insurance business in certain circumstances at the discretion of the commissioner of insurance to grant or deny the waiver, authorizing the employment of those convicted for a felony offense, under certain circumstances pursuant to 18 U.S.C. 1033
- HB 227 – Provides for the re-application of a producer's license subject to revocation. Currently, whenever the LDI revokes a license reapplied for within one year, unless the licensee appeals the revocation to the Department of Labor and loses, one would have to wait five years. This bill would remove that five-year waiting period and allow for re-application within one year.
- HB 244 – Provides for the commissioner to co-regulate Medicaid MCOs with the Louisiana Department of Health.
- HB 246 – Provides for the reinsurance of the individual insurance market, allowing the state to apply for a state innovation waiver to establish a state-based reinsurance program giving the commissioner the authority to establish a commission and regulate it.
- HB 247 – Seeks to provide for the expansion of the surplus lines market to include accident and health insurance, offering Louisiana residents the option to obtain coverage such as excess disability and legally provide accident and health coverage without the necessity for authorizing legislation for specific lines of insurance.
- HB 267 – Seeks to prohibit a convicted felon from receiving profits from agency ownerships.

OFFICE OF HEALTH, LIFE & ANNUITY

LOUISIANA HEALTH CARE COMMISSION

- HB 330 – Removes bail bond producers from pre-licensing requirements.
- HB 363 – Clarifies that any person who holds one or more of the positions of member, partner or office directly or who controls directly or indirectly ten percent or more of the business shall register under the business entity's license.
- HB 366 – Removes the requirement that the board of directors of nonprofit funeral services associations must be members in good standing.
- HB 436 – Provides for the regulation of PBMs. This bill prohibits gag clauses in PBM and pharmacy contracts. It increases transparency in how PBMs create the maximum allowable cost and requires PBMs to notify similarly situated pharmacies of successful appeals.
- HB 615 – Provides that the commissioner provide the division of administrative law judge with a copy of a demand for a hearing by the aggrieved party within five days of receipt of the original.
- HB 641 – Permits an administrative deactivation of a business entity license when the responsible producer ceases to be licensed and permits the reactivation of the business entity license once the non-compliance is remedied.
- HB 642 – Sets out the requirements for the bail bonds apprenticeship program and the supervising producer to notify the LDI of any changes of information. It requires the apprenticeship program to terminate after six months. The producer would have three (3) days to send the information for the apprenticeship termination program.
- HB 644 – Relates to the licensing of third-party administrators. The purpose of this bill is to ensure that the commissioner can deny a TPA license for the same reasons he would suspend or revoke a license, typically for misleading or false information. The same standards would be used for suspending or revoking a license to determine whether or not a license will be issued or denied.
- SB 35 – Removes the requirement that the commissioner "shall" fine and replaces it with "may" fine for the failure to comply with a consumer complaint directive.
- SB 36 – Relative to the continuing education requirements for a producer, it clarifies that a non-resident licensee is not required to complete CE requirements as long as they meet the requirements of their home state.
- SB 37 – Makes a technical correction by replacing the word "license" with "registration."
- SB 86 – Provides adjusters a first-time renewal exemption from completing continuing education requirements to insurance producers.
- SB 87 – Clarifies that the commissioner may accept all licenses in the form of electronic filings.
- SB 324 – Prohibits any contract entered into this state between an insurer, a pharmacy benefit manager, or any other entity and a pharmacist or pharmacy from containing a provision prohibiting the pharmacist from disclosing any relevant information to an individual purchasing prescription medication.

The CEO of the Louisiana Association of Health Plans also presented the following pieces of legislation that were not part of the Department's package, but were health-related and of interest to commission members:

- HB 134 – Deals with an issue from the last legislative session in working with the Louisiana Dental Association and Louisiana dental plans. The ID cards indicated "non-ERISA" that conflicts with the interpretation of what law enforcement may do. This bill seeks to change that information to "fully insured."
- HB 194 – Provides a time period after payment of a claim during which an insurer may dispute and recoup the amount paid.

OFFICE OF HEALTH, LIFE & ANNUITY

LOUISIANA HEALTH CARE COMMISSION

- HB 369 – Provides for mediation of the settlement of out-of-work network health benefit claims involving balance billing that occurs whenever going to a hospital and the hospital is in the network but other providers (i.e. radiologist, etc.) may not be in the network. Several other states provide for this measure.
- HB 429 – Deals with the denial of dental claims. LAHP is currently working with the Louisiana Dental Association on this bill. This is applicable to a situation whereby a dentist calls in for prior approval and obtains approval from the dental health plan only to discover 30 days later that it is not covered. This bill seeks to improve communications between the dentist's office and the dental plan.
- HB 460 – Provides that mammography examinations be conducted through digital tomosynthesis. There is concern for the rural communities that may not have access to this technology.
- HB 556 – Provides relative to out-of-network balance billing.
- HB 689 – Provides for coverage for fertility preservation for individuals diagnosed with cancer.
- HB 690 – Provides for coverage for subsequent preventive tests for certain individuals diagnosed with breast cancer. Once a person is diagnosed past that fifth year of being cancer free, this bills seeks to ensure certain preventive tests are included in health plan coverage.
- SB 29 – Provides relative to a single uniform prescription drug prior authorization form.
- SB 272 – Provides for health insurance policy coverage of incarcerated persons prior to adjudication.
- HB 282 and 283 – Both bills seek to address price transparency – whether it be with the industry, consumer or elected officials, the goal is trying to get as much transparency as possible.
- SB 285 – Prohibits a health insurance issuer from denying a non-opioid prescription in favor of an opioid prescription.
- HB 334 – Provides for implementation of Medicaid managed long-term care services and support system. This bill would allow LDI to release an RFP dealing with long-term care or in some shape or form have the department direct the discussion and possibly have a pilot program for long-term care.
- HB 357 – Provides relative to Medicaid managed care for individuals receiving long-term services and supports.
- HB 362 – Provides for the state's system of Medicaid-funded long-term care.
- HB 436 – Provides relative to the regulation of pharmacy benefit managers. This is an issue of whether it's contractual or based on reimbursement.
- SB 130 – Provides for Medicaid pharmacy benefit management services.
- SB 283 – Provides relative to pharmacy benefit managers.
- HB 243 – Prohibits a manufacturer or wholesale distributor from engaging in price gouging in the sale of an essential off-patent or generic drug.
- HB 384 – Creates and provides for a state prescription drug importation program. The waiver is for drug importation from Canada that is a controversial bill in terms of going across the international boundaries to acquire drugs. There are four or five states seeking a waiver from the federal government to establish this program.
- HB 339 – Provides relative to the practice of telemedicine insofar as providers and consumers seeking the benefits in telemedicine and telehealth. This is a matter of addressing the regulation from the Board of Medical Examiners and ensuring the same standard of care that would take place both in the doctor's office and via telemedicine.

The senior vice president and chief clinical transformation officer for Health Leaders Network (HLN) next presented on Volume to Value Care. HLN is a wholly-owned subsidiary of Franciscan Missionaries of Our Lady Health System with an established board and committee that drives performance. It includes a small analytics team that works with payers to identify where opportunities lie and to determine where it needs

to drive quality to improve costs on a regular basis. When looking at the future of the state of health care, providers and physicians must be willing to share some risks with insurers to manage a population across all access points. He cited CMS Risk Contracts are driven by:

- Risk adjustment
- Quality
- Clinical programs
- Network
- Technology

Finally, the executive director of Southwest Louisiana Area Health Education Center provided a CMS/ Marketplace Enrollment Update with respect to changes that occurred in 2018 with the ACA.

May 18, 2018

At the last meeting of the fiscal year, LHCC’s chairperson reported the following bills for the 2018 legislative session had passed since the last commission meeting on March 23:

- SB 29-Provides for a single uniform prescription drug authorization form.
- SB 130 –Provides relative to Medicaid payments for pharmacy benefit manager services; provides relative to managed care contracts and Medicaid managed care subcontracts.
- SB 283-Provides relative to pharmacy benefit managers; provides for internet publication of formularies; provides for transparency reporting; provides for certain reportable aggregate data.
- SB 285-Prohibits a health insurance issuer from denying a non-opioid prescription in favor of an opioid prescription.
- SB 272, Act 20 – Provides for health insurance policy coverage of incarcerated persons prior to adjudication; requires insurance coverage for health care provided premiums are paid.
- HB 134, Act 62- Provides for identification of a health benefit plan insurer and sponsor; requires information regarding the type of insurance be listed on the face of the identification or coverage documentation.
- HB 194, Act 66-Provides a time period after payment of a claim during which an insurer may dispute and recoup the amount paid.
- HB 429-Provides relative to denial of claims for dental services; provides for prior authorization requests; provides a time limit for prior authorization approvals; and prohibits a claim denial or recoupment in certain circumstances.
- Next, the regional director for Region 6 of the U.S. Department of Health and Human Services, presented on Federal Initiatives on Health Care and what efforts were being made to curb opioid abuse and reduce the cost of prescription drugs.

He cited the Five-Point Plan:

1. Education – The use of non-addictive, non-narcotic disorders.
2. Prevention – Advocating to the younger population and informing them of the ramifications of substance use.
3. Treatment – Considering an “addict” as someone who needs help, not judgment.
4. Reversal Drugs – Availability of Narcan in hospital nurses’ stations, high schools and student clinics in colleges in the state of Louisiana.
5. Research – Who is at risk? Who has the genetics and who has the neurotransmitters in their brain to become an addict? This research will help identify them in advance and offer counsel.

Lastly, LHCC's chairperson reported on the work of the Health Care and Pharmaceutical Costs Work Group and the following discussion items:

- Cost Effect – Medical Treatment
- Cost Effect – Business/Administrative Factors
- Cost Effect – Programs in Place

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.

The Health Care and Pharmaceutical Costs Work Group

The Health Care and Pharmaceutical Costs Work Group was created to examine the rising costs of health care in general, including prescription drug costs, as well as identify and discuss the largest sources of cost in health care.

As reported in the last annual report, the work group members initially identified a list of specific topics that they would like to see studied in further depth. Following further meetings and discussion, the group formed the following comprehensive list of topics with subcategories identifying possible solutions or warranting further study.

As indicated at the onset of the work group, 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. It was determined that cost factors would be divided into three general categories, as presented to the LHCC in May 2018:

- Cost Effect - Medical Treatment/Factors
- Cost Effect – Business/Administrative Factors
- Cost Effect – Programs In Place

Under each category, subcategories were created for more organized study organization.

Cost Effect Linked to Medical Treatment/Factors			
Prescription Drugs	Chronic Disease Treatment	Utilization Management	Preventive Health
What effect do compounding pharmacies and their products have on market prices?	What is the cost of treating chronic diseases and inevitable readmission?	What are some strategies to reduce over-utilization of health care goods and services?	Can we find a cost-benefit analysis of wellness programs and identify strategies that have successfully reduced costs by encouraging healthier behavior?
How does the use of unapproved drugs and the unapproved use of approved drugs affect cost?	How are cost savings measured with respect to disease management?	What are the pros and cons of increased cost-sharing to reduce utilization?	What are the long term cost benefits of consulting and working with patients?
How does the issue of brand vs. generic drugs affect cost?	How can preventive care reduce these costs?	Medicaid ACOs	Health Literacy - Where does Louisiana Fall?
How do specialty drugs affect cost?			How can adherence to prescriptions improve quality outcomes and reduce costs?
How can transparency in drug pricing control costs?			
Why do inpatient vs. outpatient drug costs vary so much and what can be done to control costs here?			
How will streamlining drug approval help control costs?			
What role does opioid abuse play in the increase of health care costs?			

Cost Effect Linked to Business / Administrative Factors			
Technology	Access to Providers	Fraud	Mergers
Can we obtain a cost/benefit analysis of new technologies in health care? Are there statistics pointing to quality outcomes with new technology?	How does a shortage of health care providers at all levels affect cost?	Insurance and non-insurance related fraud in health care	Effects of both the merger of hospitals and the merger of insurers on pricing / premiums
	What is the cost effect of medical schools and admission requirements on over-all competition and supply?		

Cost Effect Linked to Programs	
Medicaid Expansion	Affordable Care Act
Medicaid expansion in Louisiana - Is there a cost/benefit analysis on the expansion costs vs realized savings from a decrease in uninsured in other states?	Upward price costs for insurance premiums as a direct result of the Affordable Care Act
What are the cost effects as a result of longer life expectancy?	
Medicaid ACOs?	

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.

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.

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.

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</i> 2017-2018	<i>Fiscal Year</i> 2016-2017	<i>Fiscal Year</i> 2015-2016
Policy Forms, Annual Certifications, Advertisements and Rates Received			
Forms Received	3,687	3,341	2,858
Advertisements Received	178	141	162
Rates Received	232	160	220
TOTALS	4,097	3,642	3,240
Policy Forms, Annual Certifications , Advertisements and Rates Processed			
Approved	3,879	3,841	3,706
Accepted/Filed	0	2	4
Acknowledged/Informational	569	554	632
Disapproved	69	11	147
Withdrawn by Company	126	131	217
Departmental Withdrawal of Approval	0	0	0
TOTAL PROCESSED	4,643	4,539	4,706

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> 2017-2018	<i>Fiscal Year</i> 2016-2017	<i>Fiscal Year</i> 2015-2016
Life Insurance Coverage Types			
Adjustable Life	795	208	244
Credit Life	7	7	26
Endowment	4	2	1
Term Life	300	407	391
Variable Life	50	40	112
Whole Life	905	305	313
Life Other/Special	456	794	518
Annuity Coverage Types			
Annuities	509	1,262	988
Equity Indexed Annuities	286	267	203
Long-Term Care / Viatical Settlement			
Long-Term Care	631	301	414
Viatical Settlement	154	49	30
TOTALS	4,097	3,642	3,240

HELPFUL LINKS

“Health Care Resources for the Uninsured” brochures, www.ldi.la.gov/healthuninsured. Brochures created by the Louisiana Health Care Commission Access to Care Subcommittee which contain health care resources for the uninsured and underinsured 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.



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 33 financial examinations in Fiscal Year 2017-2018.

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 227 companies in Fiscal Year 2017-2018.

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.

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.

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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. The Office of Property and Casualty provides protection to Louisiana consumers and determines whether enhancements or modifications are necessary to assure continued compliance. The Office of Property and Casualty 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 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 an insurer from implementing 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 24 on page 61 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 “P&C Filings Reviewed,” “Rate Filings Reviewed by Actuarial Division,” “Rate Filings Not Reviewed by Actuarial Division” or “All Filings Reviewed 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).

OFFICE OF PROPERTY AND CASUALTY
PROPERTY AND CASUALTY RATING DIVISION

PROPERTY AND CASUALTY LINE FILINGS **TABLE 24**
THREE-YEAR HISTORY

All Lines 7/1/2017 to 6/30/2018				
<i>Filing Disposition</i>	<i>P&C Filings Reviewed ¹</i>	<i>Rate Filings Reviewed by Actuarial Division ²</i>	<i>Rate Filings Not Reviewed by Actuarial Division ³</i>	<i>All Filings Reviewed Other Than Rate Filings</i>
Acknowledged	28	0	25	3
Approved	2,155	1,381	198	576
Disapproved	190	153	3	34
Withdrawn	208	136	12	60
TOTALS	2,581	1,670	238	673
All Lines 7/1/2016 to 6/30/2017				
<i>Filing Disposition</i>	<i>P&C Filings Reviewed ¹</i>	<i>Rate Filings Reviewed by Actuarial Division ²</i>	<i>Rate Filings Not Reviewed by Actuarial Division ³</i>	<i>All Filings Reviewed Other Than Rate Filings</i>
Acknowledged	48	0	42	6
Approved	2,058	1,270	143	645
Disapproved	159	109	16	34
Withdrawn	190	135	4	51
TOTALS	2,455	1,514	205	736
All Lines 7/1/2015 to 6/30/2016				
<i>Filing Disposition</i>	<i>P&C Filings Reviewed ¹</i>	<i>Rate Filings Reviewed by Actuarial Division ²</i>	<i>Rate Filings Not Reviewed by Actuarial Division ³</i>	<i>All Filings Reviewed Other Than Rate Filings</i>
Acknowledged	40	0	38	2
Approved	1,945	1,290	103	552
Disapproved	158	125	2	31
Withdrawn	151	98	4	49
TOTALS	2,294	1,513	147	634

1. Includes only filings where the review was completed in the fiscal year for property and casualty lines regulated under La. R.S. 22:1451 et seq. and includes Workers' Compensation Group Self-Insured Fund rate filings reviewed 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. Includes only rate filings where the review was completed in the fiscal year by the Actuarial Division 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 reviewed 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 statutory compliance but are not reviewed by the Actuarial Division.

Table 25 summarizes rate filings reviewed by the Actuarial Division over the current and the prior two fiscal years. Table 25 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 25 RATE FILINGS DOLLAR IMPACT
 THREE-YEAR HISTORY**

All Lines 7/1/2017 to 6/30/2018				
<i>Filing Disposition</i>	<i>Rate Filings Reviewed by Actuarial Division 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	153	9%	\$14,584,855	\$0
Total Approved	1,381	83%	\$407,440,439	\$365,657,696
Approved with Amended Rate Request ²	66	4%	\$310,044,971	\$268,262,228
All Other Approvals	1,315	79%	\$97,395,469	\$97,395,469
Withdrawn	136	8%	\$13,141,785	\$0
TOTALS	1,670	100%	\$435,167,079	\$365,657,696
All Lines 7/1/2016 to 6/30/2017				
<i>Filing Disposition</i>	<i>Rate Filings Reviewed by Actuarial Division 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	109	7%	\$23,393,005	\$0
Total Approved	1,270	84%	\$514,465,151	\$497,008,669
Approved with Amended Rate Request ²	111	7%	\$250,132,814	\$232,675,745
All Other Approvals	1,159	77%	\$264,332,337	\$264,332,924
Withdrawn	135	9%	\$107,525,512	\$0
TOTALS	1,514	100%	\$645,383,668	\$497,008,669
All Lines 7/1/2015 to 6/30/2016				
<i>Filing Disposition</i>	<i>Rate Filings Reviewed by Actuarial Division 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	125	8%	\$2,714,772	\$0
Approved	1,290	85%	\$289,946,804	\$274,530,074
Approved with Amended Rate Request ²	97	6%	\$178,248,112	\$162,832,045
All Other Approvals	1,193	79%	\$111,698,692	\$111,698,029
Withdrawn	98	6%	\$68,446,383	\$0
TOTALS	1,513	100%	\$361,107,959	\$274,530,074

1. Includes only rate filings where the review was completed in the fiscal year by the Actuarial Division 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 reviewed 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”).

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 26 on page 64 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 26.

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. Regulation 111 sets forth the specifics relative to the submission of a consent-to-rate filing.

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 26 METHODS OF RATE FILING
 THREE-YEAR HISTORY**

All Lines 7/1/2017 to 6/30/2018			
Filing Type	Total Number of Filings Reviewed ¹	Number of Filings Reviewed Favorably ²	Number of Filings Not Reviewed Favorably ³
Modified Prior Approval Rate Filings ⁴	1,667	1,378	289
Consent-to-Rate Rate Filings ⁵	205	200	5
Individually Risk Rated Rate Filings ⁶	6	2	4
Commercial Informational Rate Filings ⁷	27	21	6
Filings Other Than Rate Filings	673	579	94
Workers' Compensation Group Self-Insured Funds ⁸	3	3	0
TOTALS: ALL FILING METHODS	2,581	2,183	398
All Lines 7/1/2016 to 6/30/2017			
Filing Type	Total Number of Filings Reviewed ¹	Number of Filings Reviewed Favorably ²	Number of Filings Not Reviewed Favorably ³
Modified Prior Approval Rate Filings ⁴	1,514	1,270	244
Consent-to-Rate Rate Filings ⁵	165	149	16
Individually Risk Rated Rate Filings ⁶	2	1	1
Commercial Informational Rate Filings ⁷	38	35	3
Filings Other Than Rate Filings	736	651	85
Workers' Compensation Group Self-Insured Funds ⁸	0	0	0
TOTALS: ALL FILING METHODS	2,455	2,106	349
All Lines 7/1/2015 to 6/30/2016			
Filing Type	Total Number of Filings Reviewed ¹	Number of Filings Reviewed Favorably ²	Number of Filings Not Reviewed Favorably ³
Modified Prior Approval Rate Filings ⁴	1,513	1,290	223
Consent-to-Rate Rate Filings ⁵	117	117	0
Individually Risk Rated Rate Filings ⁶	4	3	1
Commercial Informational Rate Filings ⁷	26	21	5
Filings Other Than Rate Filings	634	554	80
Workers' Compensation Group Self-Insured Funds ⁸	0	0	0
TOTALS: ALL FILING METHODS	2,294	1,985	309

1. Includes only filings where the review was completed in the fiscal year for property and casualty lines regulated under La. R.S. 22:1451 et seq. and includes Workers' Compensation Group Self-Insured Fund rate filings reviewed 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 "Reviewed 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 reviewed in accordance with La. R.S. 23:1191 et seq. and Regulation 42. "Reviewed Favorably" also includes filings reviewed 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 Reviewed 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 reviewed in accordance with La. R.S. 23:1191 et seq. and Regulation 42. "Not Reviewed Favorably" also includes filings reviewed 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, and includes filings withdrawn before a review is completed.

4. See Footnote 1 for Table 26.

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 27 on page 66 shows the Louisiana premiums paid to insurers in 2017 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 27 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 rate and form filing requirements as per La R.S. 22:446 (except for taxi cab rates which must be filed as per La R.S. 22:1456).

OFFICE OF PROPERTY AND CASUALTY
PROPERTY AND CASUALTY RATING DIVISION

**TABLE 27 LOUISIANA PROPERTY AND CASUALTY MARKET EXHIBIT OF
 UNDERWRITING GAINS AND LOSSES BY LINE OF BUSINESS
 CALENDAR YEAR 2017**

<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	339,721,206	331,949,737	166,658	100,049,862	117,062,694	3,600,610	118,271,133
Allied Lines	415,108,963	420,666,073	598,069	111,465,377	166,166,999	10,057,730	152,493,358
Multiple Peril Crop	84,070,152	83,604,233	-	45,681,494	9,704,692	22,295	28,240,342
Federal Flood	253,136,110	251,620,786	-	90,443,734	121,810,241	1,577,164	40,943,976
Private Crop	3,706,572	3,645,587	-	10,238,175	964,966	676	(7,556,878)
Private Flood	17,883,168	18,388,293	-	13,764,123	6,077,195	348,263	(1,104,762)
Farmowners Multiple Peril	13,990,748	13,758,263	-	6,977,959	5,092,270	(4,488)	1,683,547
Homeowners Multiple Peril	1,862,257,789	1,855,690,769	5,422,152	642,146,006	705,720,455	7,236,243	509,638,399
Commercial Multiple Peril (Non-Liability)	355,393,308	354,081,901	148,899	63,363,104	133,783,529	919,008	157,705,378
Commercial Multiple Peril (Liability)	139,255,192	144,908,981	30,444	103,139,951	58,274,006	159,794	(16,375,626)
Mortgage Guaranty	60,685,009	59,972,937	-	7,735,308	16,866,702	(5,921,477)	29,449,450
Ocean Marine	138,281,144	146,948,256	4,711	87,267,773	50,723,111	(815,593)	8,137,068
Inland Marine	412,283,095	420,347,108	154,655	198,386,939	140,979,323	246,535	81,072,726
Financial Guaranty	4,749,196	17,264,230	-	5,354,577	7,394,108	8,761,545	13,277,089
Medical Malpractice	94,036,610	93,647,831	2,200,977	50,967,686	17,412,193	367,689	23,434,664
Earthquake	6,282,880	5,933,338	7,560	361,717	1,377,494	12,097	4,198,664
Group Accident and Health	39,747,350	37,919,247	-	22,184,165	9,796,896	125,317	6,063,503
Credit Accident and Health	629,965	997,342	-	238,993	237,581	15,770	536,538
Other Accident and Health	23,460,141	19,667,321	327	16,335,989	6,819,135	(17,288,358)	(20,776,489)
Workers' Compensation	798,344,068	801,798,400	84,532,593	432,394,962	279,626,942	325,578	5,569,481
Other Liability-Occurrence	660,791,629	655,643,971	532,025	440,104,446	220,303,992	862,566	(4,433,926)
Other Liability-Claims-Made	209,131,291	205,825,071	35,427	131,496,687	72,322,791	183,232	2,153,398
Excess Workers' Compensation	46,018,610	46,173,928	-	36,825,336	16,573,165	8,848	(7,215,725)
Products Liability	40,524,457	40,532,755	556	(22,098,094)	16,329,669	347,607	46,648,231
Private Passenger Auto Liability	2,891,114,227	2,810,117,758	6,181,974	2,265,472,961	906,733,745	14,861,090	(353,409,832)
Commercial Auto Liability	586,897,869	571,894,152	74,213	585,836,244	206,686,134	1,468,905	(219,233,534)
Private Passenger Auto Physical Damage	1,615,068,549	1,586,369,947	3,469,657	973,104,016	497,349,621	6,315,085	118,761,739
Commercial Auto Physical Damage	107,124,381	105,611,216	10,592	65,258,619	39,025,545	230,558	1,547,018
Aircraft (All Perils)	42,937,165	41,252,534	-	27,761,554	13,672,212	(322,535)	(503,767)
Fidelity	12,432,382	13,102,928	17	(1,528,795)	5,232,224	2,337	9,401,819
Surety	118,832,498	117,247,276	-	32,903,428	58,495,401	64,935	25,913,383
Burglary and Theft	4,514,679	4,333,868	1	479,162	1,799,238	1,803	2,057,270
Boiler and Machinery	29,323,310	30,842,447	465	47,470,527	10,899,797	(2,850)	(27,531,192)
Credit	29,989,811	29,623,421	-	13,582,948	16,047,052	121,882	115,304
Warranty	4,260,234	6,944,819	-	5,348,220	549,467	9,247	1,056,379
Aggregate Write-Ins, Other Lines of Business	17,991,086	20,043,835	-	5,546,700	3,745,080	5,872	10,757,927
Totals	11,479,974,844	11,368,370,559	103,571,972	6,616,061,853	3,941,655,664	33,904,981	740,986,051

(A) Actual Reported Louisiana Experience, 2017 Property & Casualty Annual Statement, Page 19 (State Page), column 1.
 (B) Actual Reported Louisiana Experience, 2017 Property & Casualty Annual Statement, Page 19 (State Page), column 2.
 (C) Actual Reported Louisiana Experience, 2017 Property & Casualty Annual Statement, Page 19 (State Page), column 3.
 (D) Actual Reported Louisiana Experience, 2017 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 (2017 Insurance
 Expense Exhibit - Part III, Columns 11, 27, & 29).
 (F) Estimated Louisiana Experience based upon Nationwide Ratio of Other Income/Expense to Earned Premium, 2017 Insurance Expense Exhibit - Part III,
 Column 31.
 (G) Calculation = Cols. B - C - D - E + F

Report Date: August 23, 2018

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

**PROPERTY AND CASUALTY FORMS PROCESSED
THREE-YEAR HISTORY** **TABLE 28**

<i>Fiscal Year</i>	<i>Total Number of Forms Processed</i>
07-01-2017 to 06-30-2018	24,454
07-01-2016 to 06-30-2017	21,591
07-01-2015 to 06-30-2016	23,400

Of the total number of policy forms in Fiscal Year 2017-2018, 77 percent were approved prior to use, either by receiving LDI approval or by utilizing the Certified Approved process. Table 29 presents the numbers of approval and disapproval actions taken on all forms processed. However, Table 29 does not include numbers for forms received for informational purposes only, forms withdrawn or filings where companies adopt forms developed by rating organizations 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 29**

<i>Fiscal Year</i>	<i>Approved</i>	<i>Disapproved</i>
07-01-2017 to 06-30-2018	18,901	2,598
07-01-2016 to 06-30-2017	15,334	2,669
07-01-2015 to 06-30-2016	15,892	5,317

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 (LPCIC). The LPCIC, 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 LPCIC 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 2018 Regular Session

1. Uniform Construction Code

The commission received a presentation on Mitigation Matters in Louisiana from the Insurance Institute for Business and Home Safety (IBHS). The presentation reviewed the importance of strong building codes in mitigation and what successful mitigation looks like beyond just the physical and financial effects on property values and insurance costs. The Multihazard Mitigation Council recently published an interim report on mitigation. The report emphasizes the importance of building codes as the beginning of mitigation and presents some important findings on the value of mitigation. 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 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. In Louisiana, a judge alone hears lawsuits below the threshold, 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 may a plaintiff 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. Collateral Source Rule

A discussion draft of legislative language on the collateral source rule can be viewed in Appendix E of the Louisiana Property & Casualty Insurance Commission 2017-2018 Annual Report at www.lidi.la.gov/LPCICAnnualReports. The LPCIC recommends that the legislature modify the collateral source rule.

6. Opioid Abuse

At its January 10, 2017 meeting, the LPCIC had a robust discussion on the issue of opioids after a presentation by Carlos Luna of MDGuidelines on its ACOEM-based pharmacy formulary for workers' compensation. The LPCIC recommends that the legislature enact a requirement for the use of a closed pharmacy formulary in workers' compensation claims.

Study Issues for 2018

1. Insurance and Technology

The LPCIC will monitor and study issues related to the effects of technology on the business of insurance and insurance coverage.

2. Cybersecurity and Insurance

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

3. Highly Automated Vehicles (HAV) and Driverless Vehicles

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

4. Private Flood Insurance and NFIP Reauthorization

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 and International Actions Affecting Insurance and Insurance Regulation

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

6. Automobile Insurance Market

The LPCIC will study the automobile insurance market to determine solutions to the problems with availability and affordability of private passenger and commercial automobile insurance.

Helpful Links

Search property and casualty rate filings, <http://www.lidi.la.gov/online-services/rate-filing-search>.

Product Filing Requirements for Insurers, <http://ia.lidi.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.lidi.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 2017-2018, the Division of Legal Services tracked 155 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 30 for the legal issues involved.

TABLE 30 **LEGAL ISSUES/ADMINISTRATIVE HEARINGS**
THREE-YEAR HISTORY

	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>
Bail Bond Forfeitures	85	194	202
Cease and Desist Orders	10	9	18
Failure to Pay Taxes, Fines or Assessments	6	3	4
Misappropriations	5	4	11
Misrepresentations	7	9	14
Revocation of Certificate of Authority/License	5	7	3
Unlicensed/Unauthorized Producers or Companies	2	3	4
Other	35	46	35
TOTALS	155	275	291

FINES COLLECTED

In Fiscal Year 2017-2018, the Division of Legal Services assisted the commissioner of insurance in collecting \$160,500 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 \$1,500 in fines were imposed on regulated entities under the Unfair Trade Practices Act during Fiscal Year 2017-2018.

RULES, REGULATIONS, DIRECTIVES, ADVISORY LETTERS, BULLETINS

A list of regulations, rules, directives, advisory letters and bulletins written, amended, revised, rescinded/ repealed in Fiscal Year 2017-2018 follows.

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

Advisory Letter 2017-02: Statutory Requirements for Granting Defensive Driver Discounts on Automobile Insurance Policy Premiums (September 27, 2017)

Advisory Letter 2016-01: Applicability of the Provider Fee Authorized in LA. R.S. 46:2625 to Medicare Advantage Plans in Relation to Directive 208 (March 5, 2018)

Advisory Letter 2018-01: Interpretation and Application of the Separate Named Storm or Hurricane Deductible Pursuant to LA. R.S. 22:1337 (June 20, 2018)

Bulletin 2017-07: Certificate of Destruction for Water-Damaged Vehicles (September 7, 2017)

Bulletin 2018-01: Rescission of Bulletin No. 2011-04 and Bulletin No, 2012-02 (January 12, 2018)

Bulletin 2018-02: Licensing Contacts Update (January 19, 2018)

Bulletin 2018-03: Rescission of Bulletin No. 2011-03 (January 26, 2018)

Bulletin 2018-04: Online Submission of Updated Data Report Pursuant to Revised Directive 205 (February 22, 2018)

Bulletin 2018-05: Transitional Relief; Deadlines for Health Insurance Issuer and HMO Submissions of Forms and Rate Filings and Plan Management Binders (May 31, 2018)

Directive 211: Change of Producer Record (June 28, 2018)

Regulation 46: Long Term Care Insurance (Published July 20, 2017)

Regulation 108: Investigation of Discrimination Complaints (Published November 20, 2017)

DIVISION OF LEGAL SERVICES

Regulation 32: Group Coordination of Benefits (Published January 20, 2018)

Regulation 109: Producer, Adjuster and Related Licenses (Published January 20, 2018)

Rule 3: Advertisements of Accident and Sickness Insurance (Published October 20, 2017)

Rule 3A: Advertisement of Medicare Supplement Insurance (Published October 20, 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 2018 calendar year in which the LDI was the plaintiff included two cases instituted during the year, six pending, and zero concluded.

DIVISION OF LEGAL SERVICES

LITIGATION DISCLOSURE ANNUAL REPORT

**TABLE 31 LAWSUITS BROUGHT BY THE COMMISSIONER OR DEPARTMENT OF INSURANCE
CALENDAR YEAR 2018**

<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>
629200	19th JDC	Louisiana Department of Insurance	Louisiana Employers-Managed Insurance Company (LEMIC) and Employers Mutual Insurance Holding Company (EMIHC)	Receivership	Rehabilitation	Rehabilitation	Michael Charles Guy, Attorney General
6288016	19th JDC	Louisiana Department of Insurance	Snider Mutual Funeral Association	Receivership	Rehabilitation	Rehabilitation	Michael Charles Guy, Attorney General
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. Pending criminal case.	Carol Guidry Attorney Deputy 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	Walt Corey, Attorney 4, Louisiana Department of Insurance
660611	19th JDC	Louisiana Department of Insurance	Pride of Carroll Life Insurance	Rehabilitation	Rehabilitation	Rehabilitation	Walt Corey, Attorney 4, Louisiana Department of Insurance

HELPFUL LINKS

Regulatory documents issued during 2017-2018 can be found here, <https://www.lidi.la.gov/onlineservices/documentsearch/>

All currently effective advisory letters, bulletins, directives, rules and regulations, <https://www.lidi.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.lidi.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.



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 2,043 reports of suspected fraudulent claims during Fiscal Year 2017-2018. 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 33,087 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 1,205 claim fraud investigations to the State Police during the fiscal year. There were 62 arrests resulting in 82 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 32 ACTIONS TAKEN REGARDING PRODUCER, CLAIMS ADJUSTER AND COMPANY FRAUD
THREE-YEAR HISTORY**

	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>
Number of Investigations Opened	125	136	128
Cease and Desist Orders Served	9	1	8
Notices of Proposed Action Served	24	8	3
Criminal Referrals to Law Enforcement	2	7	15
Arrests Made as a Result of Criminal Referrals	0	1	3

CHARGES AGAINST CLAIMANTS OR LICENSEES TABLE 33
RESULTING FROM REFERRALS BY CATEGORY

<i>Category</i>	<i>Number of Charges*</i>	<i>Percent of Crimes</i>
Insurance Fraud	51	62.1%
Automobile Insurance Fraud	11	13.7%
Filing A False Public Record	4	4.9%
Criminal Conspiracy	4	4.9%
Forgery	3	3.6%
Child Endangerment	3	3.6%
Theft	2	2.4%
Injuring Public Records	2	2.4%
Forgery of a Certificate of Insurance	1	1.2%
Resisting an Officer	1	1.2%

*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 34 BACKGROUND INVESTIGATIONS
 THREE-YEAR HISTORY**

	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>
Company Applications Received	132	130	123
Company Applications Approved	131	127	113
Company Biographical Affidavits Received	1,012	988	1,998
Company Biographical Affidavits Approved	994	977	1,940

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 2017-2018 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 2017-2018, 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 and Jefferson Parish. Since the Program's inception, approximately 368 arrests have been made. During Fiscal Year 2017-2018, bait vehicles were deployed a total of 398 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 2017-2018, license plate readers were operational in Baton Rouge, New Orleans, Calcasieu, Lake Charles, Kenner, Lafayette, Causeway Bridge and with the Louisiana State Police. The use of license plate readers in these locations resulted in 11,502,835 reads, 199 arrests, the recovery of 164 stolen

DIVISION OF INSURANCE FRAUD

LOUISIANA AUTOMOBILE THEFT AND INSURANCE FRAUD PREVENTION AUTHORITY

vehicles and 82 stolen license plates valued at \$1,627,393. There were no expenditures for the License Plate Recognition Program in Fiscal Year 2017-2018.

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 2,895 students in East Baton Rouge, Orleans, St. Landry and Livingston Parishes. The vehicle theft and insurance fraud prevention presentations were made to 13,150 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 35
THREE-YEAR HISTORY**

	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>
VIPER (Bait Vehicle) Program			
Hours Deployed	398	1,619	11,971
Activations	9	2	35
Adult Arrests	9	1	7
Expenditures	\$0	\$0	\$0
License Plate Recognition Program			
Reads	11,502,835	1,405,951	1,600,652
Stolen Vehicles Recovered	164	84	62
Stolen License Plates Recovered	82	31	42
Arrests	199	142	75
Value of Recoveries	\$1,627,393	\$852,138	\$802,061
Expenditures	\$0	\$64,060	\$20,838
Education Program			
Middle School & High School Students	2,895	2,846	6,425
Civic Events, Expos, Fairs and Conference Attendees	13,150	4,765	3,042
TOTAL ATTENDEES	16,045	7,611	9,467

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 2017-2018, the Louisiana Automobile Theft and Insurance Fraud Prevention Authority reached approximately 13,150 people.

Since the inception of this program, outreach on vehicle theft and prevention and insurance fraud prevention has been delivered to over 75,000 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 broadcast and digital television and radio advertisements as well as through the distribution of informational brochures. The purpose of these campaigns 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, 2017, October 17, 2017, January 16, 2018 and April 24, 2018. All meetings were open to the public.

COLLECTIONS

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

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

At the beginning of Fiscal Year 2017-2018, there was a statutory dedicated fund balance of \$81,716.69. 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 \$3,264.00. Total funds for this period were \$230,264.00.

DIVISION OF INSURANCE FRAUD

LOUISIANA AUTOMOBILE THEFT AND INSURANCE FRAUD PREVENTION AUTHORITY

OBLIGATIONS

Expenditures during this fiscal year, from the fund totaled \$196,742.24. The ending fund balance for this period was \$30,257.76. At the beginning of the reporting period, there was a balance of \$9,697.01 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 2017-2018, 40 companies were analyzed and the office conducted an examination on two companies.

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 27 days.

COMPLAINTS HANDLED AND FUNDS RECOVERED BY INSURANCE PRODUCT TABLE 36

<i>Fiscal year 2017-2018</i>	<i>Life, Annuity & Long-Term Care</i>	<i>Health</i>	<i>Property & Casualty</i>	<i>Total</i>
Complaints Received	629	819	1,898	3,346
Amount of Benefits and Funds Recovered	\$3,637,205	\$883,955	\$2,797,560	\$7,318,720

A total of \$7,318,720 in claims payments, additional claims payments or refunds were recovered by insureds during Fiscal Year 2017-2018. 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

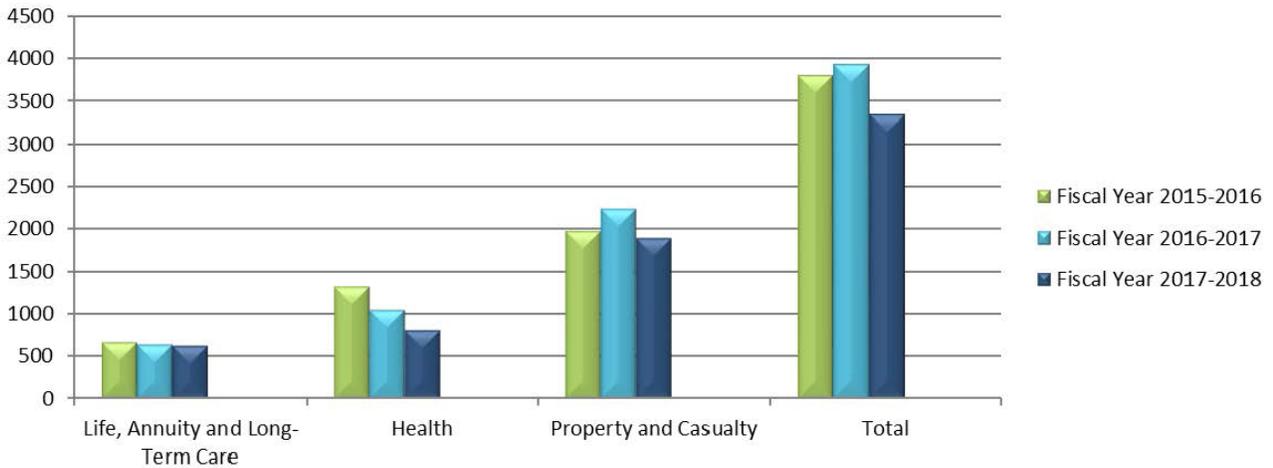
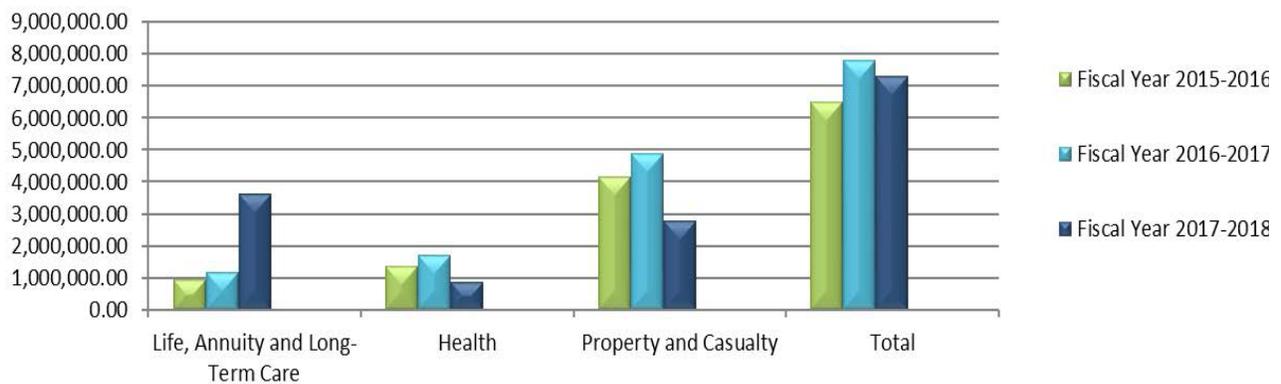


CHART 4 DOLLARS RECOVERED BY PRODUCT TYPE AND TOTAL FOR LDI THREE YEAR HISTORY



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.

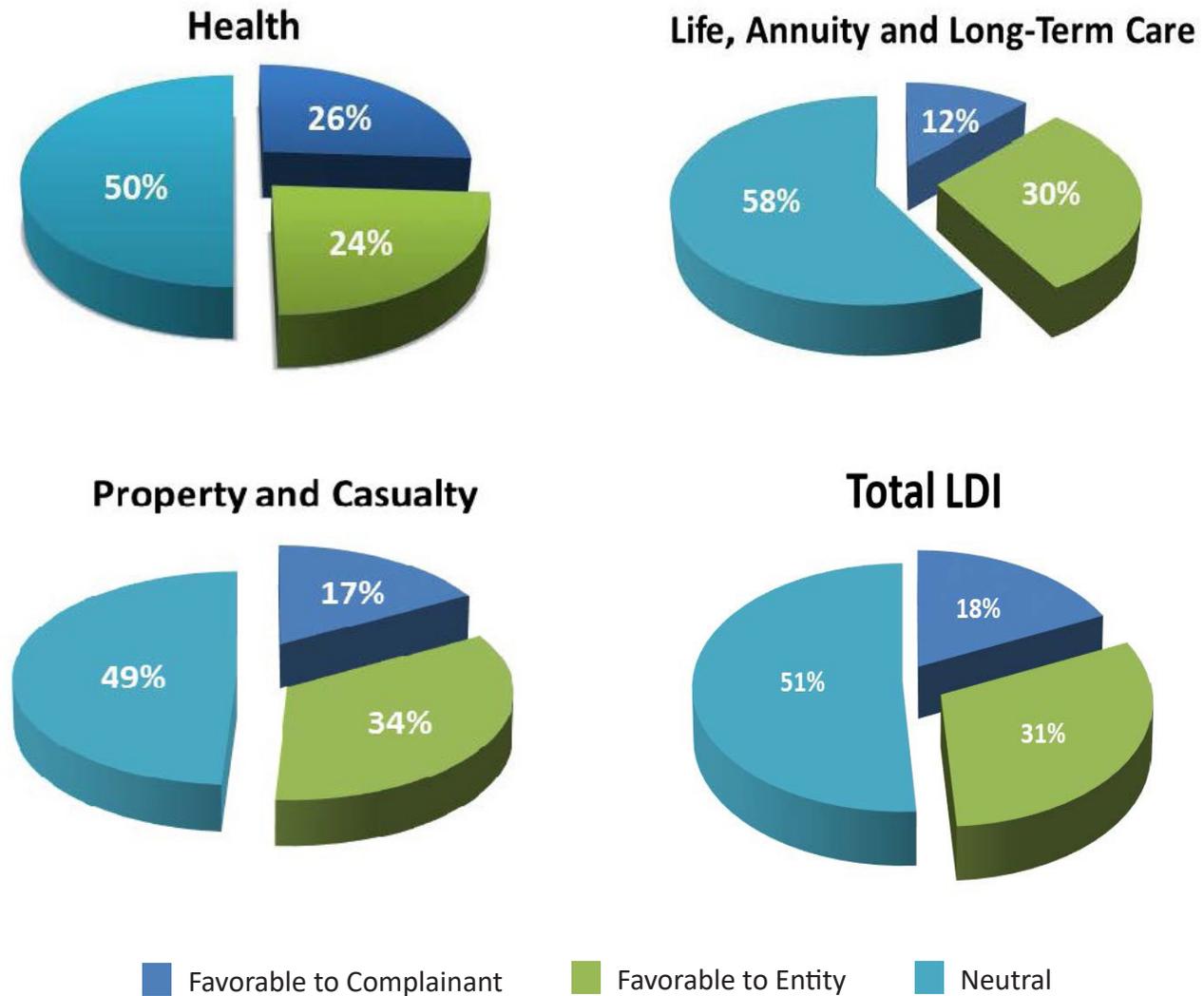
The table below provides closed complaint disposition percentages by product type and for the LDI as a whole. The dispositions include favorable to the complainant, favorable to the regulated entity the complaint is against and neutral.

COMPLAINT DISPOSITION PERCENTAGES BY PRODUCT AND TOTAL FOR LDI **TABLE 37**

<i>Category</i>	<i>Life, Annuity and Long-Term Care</i>	<i>Health</i>	<i>Property and Casualty</i>	<i>Total Percentage for LDI</i>
Favorable to Complainant	12%	26%	17%	18%
Favorable to Regulated Entity	30%	24%	34%	31%
Neutral	58%	50%	49%	51%
	100%	100%	100%	100%

Charts 5-8 on page 94 provide a visual representation of the complaint dispositions shown in Table 37.

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.

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, 2017

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	339,721,206	331,949,737	166,658	164,850,375	142,365,129	91,357,805
02.1	Allied Lines	415,108,963	420,666,073	598,069	188,980,242	135,062,858	81,427,007
02.2	Multiple Peril Crop	84,070,152	83,604,233	-	3,370,915	50,716,372	45,678,428
02.3	Federal Flood	253,136,110	251,620,786	-	137,324,503	358,083,496	87,716,370
02.4	Private Crop	3,706,572	3,645,587	-	69,583	9,356,306	10,236,926
02.5	Private Flood	17,883,168	18,388,293	-	8,451,061	24,017,030	13,764,123
03	Farmowners Multiple Peril	13,990,748	13,758,263	-	6,611,469	6,157,861	6,639,726
04	Homeowners Multiple Peril	1,862,257,789	1,855,690,769	5,422,152	947,037,528	632,768,002	617,794,827
05.1	Commercial Multiple Peril (Non-Liability)	355,393,308	354,081,901	148,899	160,430,903	172,171,266	65,124,910
05.2	Commercial Multiple Peril (Liability)	139,255,192	144,908,981	30,444	62,896,993	58,689,125	72,246,036
06	Mortgage Guaranty	60,685,009	59,972,937	-	21,938,860	21,398,565	7,590,876
08	Ocean Marine	138,281,144	146,948,256	4,711	61,299,284	125,751,173	74,908,516
09	Inland Marine	412,283,095	420,347,108	154,655	120,647,855	221,692,938	196,013,017
10	Financial Guaranty	4,749,196	17,264,230	-	40,221,196	1,572,018	5,157,846
11	Medical Malpractice	94,036,610	93,647,831	2,200,977	41,878,330	19,658,656	16,247,770
12	Earthquake	6,282,880	5,933,338	7,560	2,621,938	108,307	331,424
13	Group Accident and Health	39,747,350	37,919,247	-	14,636,279	20,925,296	21,998,924
14	Credit Accident and Health	629,965	997,342	-	428,767	271,867	239,078
15.1	Collectively Renewable Accident and Health	830	967	-	116	-	253
15.2	Non-Cancelable Accident and Health	-	4,425	-	19,376	-	-
15.3	Guaranteed Renewable Accident and Health	12,371,442	8,573,208	-	69,768,399	9,061,332	10,519,921
15.4	Non-Renewable Accident and Health	4,139,858	4,133,518	327	1,893,538	1,515,751	1,417,237
15.5	Other Accident Only	1,499,397	1,550,528	-	244,841	66,117	(538,418)
15.6	Medicare Title XVIII	-	-	-	-	-	-
15.7	All Other Accident and Health	4,823,961	4,779,649	-	391,802	1,357,619	2,226,270
15.8	Federal Employees Health Benefits Program	-	-	-	-	-	-
16	Workers' Compensation	798,344,068	801,798,400	84,532,593	272,458,316	424,219,058	366,253,066
17.1	Other Liability-Occurrence	660,791,629	655,643,971	532,025	324,570,442	381,132,036	359,235,461
17.2	Other Liability-Claims-Made	209,131,291	205,825,071	35,427	106,886,663	113,983,689	104,642,834
17.3	Excess Workers' Compensation	46,018,610	46,173,928	-	12,974,417	23,899,529	35,718,464
18	Products Liability	40,524,457	40,538,440	556	17,555,101	18,176,781	(22,897,176)
19.1	Private Passenger Auto No-Fault	-	-	-	-	478,316	548,718
19.2	Private Passenger Auto Liability	2,891,114,227	2,810,117,758	6,181,974	804,528,914	1,983,278,778	2,121,374,801
19.3	Commercial Auto No-Fault	133,458	247,579	-	205,358	790,688	53,002
19.4	Commercial Auto Liability	586,764,411	571,646,573	74,213	255,771,219	454,665,554	503,323,879
21.1	Private Passenger Auto Physical Damage	1,615,068,549	1,586,369,947	3,469,657	460,115,047	972,522,406	968,927,657
21.2	Commercial Auto Physical Damage	107,124,381	105,611,216	10,592	42,032,354	65,898,235	62,969,248
22	Aircraft (All Perils)	42,937,165	41,252,534	-	23,527,344	27,608,234	24,284,342
23	Fidelity	12,432,382	13,102,928	17	8,201,814	4,497,013	(1,560,145)
24	Surety	118,832,498	117,247,276	-	52,474,173	3,028,993	29,304,486
26	Burglary and Theft	4,514,679	4,333,868	1	1,764,326	872,320	480,218
27	Boiler and Machinery	29,323,310	30,842,447	465	12,710,935	10,703,457	46,878,086
28	Credit	29,989,811	29,623,421	-	19,856,996	13,809,609	13,447,425
30	Warranty	4,260,234	6,944,819	-	12,815,237	5,406,072	5,314,020
34	Aggregate Write-Ins, Other Lines of Business	17,991,086	20,043,835	-	18,652,739	14,915,932	5,455,653
35	TOTALS	11,479,350,185	11,367,751,192	103,571,973	4,503,115,528	6,532,653,786	6,051,852,896

DATA SOURCE: 2017 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, 2017

Line #	Line of Business	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
01	Fire	59,201,145	4,675,261	4,064,425	3,302,905	43,256,091	12,784,307
02.1	Allied Lines	126,785,046	4,320,184	3,193,494	6,959,556	53,000,465	9,377,104
02.2	Multiple Peril Crop	16,768,392	486	3,066	35,785	8,023,338	133,308
02.3	Federal Flood	24,150,839	4,186,933	2,727,364	187,009	45,665,975	8,879,080
02.4	Private Crop	765,393	1,285	1,249	227	788,033	78,539
02.5	Private Flood	19,625,096	619,435	632,792	687,341	1,220,835	563,464
03	Farmowners Multiple Peril	3,673,736	326,414	338,233	408,875	2,276,897	645,257
04	Homeowners Multiple Peril	259,735,808	19,199,905	18,122,925	24,136,012	237,015,382	82,335,310
05.1	Commercial Multiple Peril (Non-Liability)	102,798,943	4,399,526	(1,761,806)	8,550,031	55,390,133	15,351,032
05.2	Commercial Multiple Peril (Liability)	242,541,781	25,835,029	30,893,915	83,417,193	24,776,872	5,503,301
06	Mortgage Guaranty	56,101,279	184,818	144,432	214,130	-	2,400,747
08	Ocean Marine	204,367,150	14,349,560	12,359,257	28,980,802	24,110,959	4,251,528
09	Inland Marine	87,502,114	2,852,082	2,373,922	2,734,262	82,218,092	14,085,542
10	Financial Guaranty	9,529,496	21,907	196,731	262,943	-	697,638
11	Medical Professional Liability	181,518,423	27,417,798	34,719,916	111,431,478	8,249,489	2,127,597
12	Earthquake	393,982	15,667	30,293	21,524	596,860	145,753
13	Group Accident and Health	15,871,247	134,404	185,241	269,265	4,808,414	812,847
14	Credit Accident and Health	351,307	-	(85)	792	109,161	40,780
15.1	Collectively Renewable Accident and Health	526	-	30	40	6	65
15.2	Non-Cancelable Accident and Health	-	-	-	-	-	44
15.3	Guaranteed Renewable Accident and Health	30,296,232	6,230	10,234	44,300	1,229,593	319,061
15.4	Non-Renewable Accident and Health	1,624,175	-	(295)	4,873	515,753	107,834
15.5	Other Accident Only	137,891	261	1,148	1,213	312,803	36,117
15.6	Medicare Title XVIII	-	-	-	-	-	-
15.7	All Other Accident and Health	1,904,189	106,275	88,034	46,375	941,891	206,582
15.8	Federal Employees Health Benefits Program	-	-	-	-	-	43
16	Workers' Compensation	2,151,567,812	64,102,485	66,201,059	250,633,322	71,757,493	76,817,823
17.1	Other Liability-Occurrence	1,499,607,478	91,029,397	80,945,194	307,018,587	97,321,161	14,833,624
17.2	Other Liability-Claims-Made	353,826,843	28,452,638	26,853,853	88,798,241	33,704,223	5,419,379
17.3	Excess Workers' Compensation	310,406,725	1,697,809	1,106,872	13,376,316	5,899,310	1,882,386
18	Products Liability	132,643,636	11,520,475	797,728	67,941,577	6,444,480	916,798
19.1	Private Passenger Auto No-Fault	1,551,466	57,491	31,180	111,551	(8,913)	5,920
19.2	Private Passenger Auto Liability	1,903,285,251	117,421,705	143,518,262	293,649,012	223,970,108	86,515,691
19.3	Commercial Auto No-Fault	848,647	20,553	(32,693)	92,191	28,564	628
19.4	Commercial Auto Liability	834,924,259	69,292,585	77,864,259	118,751,040	87,271,972	22,252,146
21.1	Private Passenger Auto Physical Damage	85,736,009	3,964,620	4,176,359	4,978,939	129,338,705	49,044,135
21.2	Commercial Auto Physical Damage	17,350,780	2,271,399	2,289,371	2,962,808	14,739,046	3,720,883
22	Aircraft (All Perils)	42,887,589	2,190,087	3,477,212	7,384,374	6,183,536	1,791,150
23	Fidelity	2,399,813	420,895	31,350	1,335,467	1,817,186	530,034
24	Surety	73,277,224	5,146,453	3,598,942	10,502,105	30,187,413	5,035,083
26	Burglary and Theft	1,071,670	36,894	(1,056)	215,525	863,927	160,713
27	Boiler and Machinery	45,933,734	473,177	592,441	295,545	1,964,787	896,232
28	Credit	3,219,931	139,556	135,523	25,114	12,611,253	852,985
30	Warranty	664,827	37,854	34,200	(1,526)	47,911	214,014
34	Aggregate Write-Ins, Other Lines of Business	52,400,374	97,331	91,047	143,221	1,399,021	714,739
35	TOTALS	8,959,248,261	507,026,831	520,035,601	1,439,910,324	1,320,048,215	432,487,213

DATA SOURCE: 2017 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, 2017**

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	1,848,585,330	42,097,121	440,389,389	5,197,524	2,336,269,358
Annuity Considerations	2,379,127,012	-	722,814,649	-	3,101,941,660
Deposit-Type Contract Funds	53,077,225		239,337,904		292,415,129
Other Considerations	139,627,072	-	491,079,741	-	630,706,813
TOTALS	4,420,416,639	42,097,121	1,893,621,684	5,197,524	6,361,332,970
<i>Direct Dividends to Life Policyholders</i>					
Life Insurance					
Paid in Cash or Left on Deposit	23,643,911	43,500	1,099,581	(9,984)	24,777,007
Applied to Pay Renewal Premiums	23,835,056	-	450,597	4	24,285,658
Applied to Provide Paid-Up Additions or Shorten the Endowment or Premium-Paying Agent	143,407,096	-	28	502,370	143,909,495
Other	1,729,827	-	-	-	1,729,827
Total Life	192,615,887	43,500	1,550,206	492,390	194,701,982
<i>Direct Dividends to Annuity Holders</i>					
Annuities					
Paid in Cash or Left on Deposit	6,799,832	-	66,734	-	6,866,566
Applies to Provide Paid-Up Annuities	658,547	-	-	-	658,547
Other	6,181,417	-	1,210,422	-	7,391,838
Total Annuities	13,639,795	-	1,277,156	-	14,916,951
GRAND TOTALS	206,255,684	43,500	2,827,362	492,390	209,618,935
<i>Direct Claims and Benefits Paid</i>					
Death Benefits	1,050,885,966	11,349,816	416,868,511	10,687,075	1,489,791,368
Matured Endowments	4,021,794	-	33,962	647,854	4,703,610
Annuity Benefits	610,557,694	-	235,691,190	-	846,248,886
Surrender Values and Withdrawals for Life Contracts	2,644,666,154	-	1,265,284,709	1,653,807	3,911,604,673
Aggregate Write-Ins for Miscellaneous Direct Claims and Benefits Paid	4,314,639	-	8,814,156	9,609	13,138,404
All Other Benefits, Except Accident and Health	13,516,194	16,503	1,055,345	12,741	14,600,784
TOTALS	4,327,962,449	11,366,319	1,927,747,873	13,011,084	6,280,087,726

DATA SOURCE: 2017 Life Annual Statement (State Page) for all companies writing business in Louisiana.

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

LIFE INSURERS EXHIBIT OF PREMIUMS AND BENEFITS
BUSINESS IN LOUISIANA AS OF DECEMBER 31, 2017

Direct Death Benefits and Matured Endowments Incurred	Life Insurance												Total		
	Ordinary			Credit Life			Group			Industrial			Number	Amount	
	Number	Amount		Number	Amount		Number	Amount		Number	Amount				
Unpaid December 31, Prior Year	7,376	212,396,745		59	1,144,447		1,582	50,850,501		(14,903)	2,296,832		(5,886)	266,688,524	
Incurred During Current Year	40,254	1,071,886,346		3,918	11,448,037		17,147	429,214,568		14,047	10,600,511		75,366	1,523,149,462	
Settled During Current Year															
By Payment in Full	40,209	1,120,851,330		3,909	11,366,060		17,139	428,159,616		13,826	10,410,293		75,083	1,570,787,297	
By Payment on Compromised Claims	33	1,640,072		-	-		10	857,361		-	-		43	2,497,433	
Totals Paid	40,242	1,122,491,402		3,909	11,366,060		17,149	429,016,977		13,826	10,410,293		75,126	1,573,284,729	
Reduction by Compromise Amount Rejected	59	2,227,789		-	-		12	784,083		-	-		71	3,011,872	
	97	3,405,927		-	-		24	1,449,149		3	3,004		124	4,858,080	
Total Settlements	40,398	1,128,125,119		3,909	11,366,060		17,185	431,250,209		13,829	10,413,297		75,321	1,581,154,683	
Unpaid December 31, Current Year	7,232	156,157,972		68	1,226,425		1,543	48,814,864		(14,685)	2,484,044		(5,842)	208,683,307	
Policy Exhibit															
In Force December 31, Prior Year	2,767,567	263,667,631,322		568,547	2,718,216,484		100,673	146,016,364,219		979,342	511,036,447		4,416,129	412,913,248,471	
Issued During Year	282,577	26,337,521,577		493,402	1,830,911,510		12,803	18,451,378,469		386	749,827		789,168	46,620,561,381	
Other Changes to In Force (Net)	(301,094)	(20,898,210,330)		(521,574)	(1,899,872,724)		(13,623)	(15,066,836,657)		(15,000)	(1,019,686)		(851,291)	(37,865,939,398)	
In Force December 31, Current Year	2,749,050	269,106,942,574		540,374	2,649,255,270		99,853	149,400,906,030		964,728	510,766,588		4,354,005	421,667,870,462	

	Accident and Health Insurance						Direct Losses Incurred
	Direct Premiums	Direct Premium Earned	Dividends on Direct Business	Direct Losses Paid	Direct Losses Incurred		
Group Policies	1,312,187,107	1,312,187,244	266,107	977,434,567	995,248,136		
Federal Employees Health Benefits Program	5,715,800	5,715,800	-	6,517,883	6,517,883		
Credit (Group and Individual)	33,290,537	32,875,261	-	9,583,042	8,681,247		
Collectively Renewable Policies	379,179	362,586	-	1,016,278	928,493		
Medicare Title XVIII	113,643,718	115,171,339	-	87,989,565	87,643,764		
Other Individual Policies							
Non-cancellable	76,590,101	76,291,882	4,573,795	65,146,275	68,556,343		
Guaranteed Renewable	472,118,425	475,278,135	1,177,442	293,076,297	311,994,682		
Non-renewable for Stated Reasons Only	7,296,557	7,342,514	124,063	3,000,466	3,950,693		
Other Accident Only	1,836,638	1,727,798	-	780,917	892,300		
All Other	23,473,078	25,088,704	1,490	73,318,295	19,188,689		
Totals	581,314,801	585,729,030	5,876,788	435,322,254	404,582,706		
TOTALS	2,046,531,140	2,052,041,259	6,142,895	1,517,863,590	1,503,602,230		

DATA SOURCE: 2017 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, 2017**

	<i>Total</i>	<i>Individual Comprehensive</i>	<i>Group Comprehensive</i>	<i>Medicare Supplement</i>
Total Members at End of:				
Prior Year	4,834,410	245,688	474,252	46,124
First Quarter	4,983,250	216,046	469,216	46,420
Second Quarter	4,968,801	199,172	467,596	46,348
Third Quarter	4,958,433	185,997	466,649	46,518
Current Year	4,976,479	175,122	468,758	46,514
Current Year Member Months	60,304,417	2,315,153	5,617,864	555,933
Total Member Ambulatory Encounters for Year:				
Physician	23,458,739	1,703,346	4,521,295	1,169,080
Non Physician	16,870,976	943,802	2,066,207	392,235
Totals	40,329,715	2,647,148	6,587,502	1,561,315
Hospital Patient Days Incurred	1,753,484	55,359	111,676	94,109
Number of Inpatient Admissions	286,294	12,035	24,145	9,604
Health Premiums Written	14,498,511,936	1,084,340,358	2,465,625,805	116,238,721
Life Premiums Direct	1,463,382	-	-	-
Property and Casualty Premiums Written	-	-	-	-
Health Premiums Earned	14,303,356,957	1,084,605,964	2,465,419,465	116,419,291
Property and Casualty Premiums Earned	-	-	-	-
Amount Paid for Provision of Health Care Services	12,095,144,053	853,426,545	1,999,949,159	90,479,031
Amount Incurred for Provision of Health Care Services	12,068,617,084	825,031,949	2,006,309,977	92,235,783

DATA SOURCE: 2017 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, 2017**

	<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	229,598	258,240	73,715	262,228	2,907,147	337,418
First Quarter	243,195	344,508	73,612	275,722	2,981,194	333,337
Second Quarter	244,668	339,786	73,007	281,000	2,987,309	329,915
Third Quarter	253,436	340,714	71,990	286,439	2,973,392	333,298
Current Year	258,734	344,618	73,126	289,479	2,989,915	330,213
Current Year Member Months	2,969,430	4,090,047	877,536	3,379,049	35,530,140	4,969,265
Total Member Ambulatory Encounters for Year:						
Physician	-	-	950,219	5,361,684	9,752,441	674
Non-physician	42,042	7	417,827	2,756,551	10,250,549	1,756
Totals	42,042	7	1,368,046	8,118,235	20,002,990	2,430
Hospital Patient Days Incurred	-	-	37,552	618,557	835,902	329
Number of Inpatient Admissions	-	-	6,747	78,930	154,614	219
Health Premiums Written	18,739,634	98,222,252	417,421,931	3,200,985,689	6,884,572,355	212,365,191
Life Premiums Direct	-	-	-	-	-	1,463,382
Property/Casualty Premiums Written	-	-	-	-	-	-
Health Premiums Earned	18,739,795	87,653,907	410,926,851	3,201,985,689	6,701,351,966	216,254,028
Property/Casualty Premiums Earned	-	-	-	-	-	-
Amount Paid for Provision of Health Care Services	13,378,146	74,369,598	378,036,284	2,619,182,583	5,889,954,281	176,368,425
Amount Incurred for Provision of Health Care Services	13,458,336	75,022,291	379,352,684	2,651,935,479	5,850,452,166	174,818,418

DATA SOURCE: 2017 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, 2017

NAIC Number	Company Name	Total Members	Direct Premium Written	Market Share	Cumulative Market Share	Direct Premium Earned	Direct Losses Incurred	Loss Ratio
13970	Louisiana Healthcare Connections Inc	487,494	2,103,706,383	18.94%	18.94%	2,103,706,383	1,867,456,564	88.77%
95833	United Healthcare of LA Inc	444,177	2,098,224,927	18.89%	37.83%	2,123,369,240	1,764,075,554	83.08%
95642	Humana Health Benefit Plan of LA Inc	330,304	2,080,349,975	18.73%	56.56%	2,080,333,469	1,700,712,152	81.75%
14143	AmeriHealth Caritas LA Inc	214,376	1,020,347,401	9.19%	65.75%	1,020,347,401	847,750,095	83.08%
14064	Amerigroup LA Inc	245,898	989,714,077	8.91%	74.66%	947,539,326	789,444,617	83.32%
95643	Hmo LA Inc	159,221	940,530,396	8.47%	83.13%	940,460,401	762,813,462	81.11%
13607	Peoples Health Inc	60,841	768,329,104	6.92%	90.05%	769,329,104	653,079,738	84.89%
15616	Aetna Better Health Inc	116,808	592,308,463	5.33%	95.38%	592,308,463	494,596,217	83.50%
95584	Vantage Health Plan Inc	47,176	411,105,370	3.70%	99.08%	411,105,370	345,171,906	83.96%
95173	Aetna Health Inc LA	15,539	102,131,588	0.92%	100.00%	102,131,588	77,254,950	75.64%
10 HMO's	TOTAL	2,121,834	11,106,747,684	100.00%		11,090,630,745	9,302,355,255	83.88%

DATA SOURCE: 2017 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, 2017**

NAIC Number	Company Name	Domicile	Direct Premium Written			Other Income	Net Premium Earned	Direct Loss & Allocated Adjustment Expenses	Direct Loss Allocated Adjustment Expenses Incurred	Direct Known Claim Reserves
			Direct Operations	Non-Affiliated Agencies	Affiliated Agencies					
51411	American Guaranty Title Insurance, Co.	OK	75,445	344,540	-	-	435,311	84,933	23,218	13,467
50229	Chicago Title Insurance, Co.	FL	126,238	13,209,064	1,907,593	958,659	15,576,303	497,601	539,959	227,975
50083	Commonwealth Land Title Insurance, Co.	FL	137,529	10,667,595	263,603	67,335	11,102,106	1,445,595	933,663	692,755
51632	EnTitle Insurance, Co.	OH	491	-	-	1,950	1,005	84,316	26,581	-
51586	Fidelity National Title Insurance, Co.	FL	180,447	28,609,649	2,197,292	343,301	29,634,933	1,950,831	1,759,358	985,507
50814	First American Title Insurance, Co.	NE	301,729	7,051,698	11,167	3,894,350	7,344,523	1,126,705	945,501	2,936,674
51527	First American Title Insurance, Company of Louisiana	LA	-	50,252,669	-	7,312	49,356,020	642,701	786,969	263,468
50369	Investors Title Insurance, Co.	NC	-	(22,172)	-	150	18,045	56	1,357	2,680
51020	National Title Insurance of New York, Inc.	NY	-	-	627,457	-	623,061	18,465	18,555	90
50130	North American Title Insurance, Co.	CA	-	1,257	-	-	1,210	-	-	-
50520	Old Republic National Title Insurance, Co.	FL	297,416	6,354,222	-	511,953	6,685,487	25,350	275,386	448,926
50440	Real Advantage Title Insurance, Co.	CA	11,337	-	34,939	15,540	43,792	-	-	-
50784	Security Title Guaranty Corporation of Baltimore	MD	-	3,596,463	-	125,389	3,525,067	132,015	49,414	466,966
50121	Stewart Title Guaranty, Co.	TX	98,465	14,135,956	101,102	223,945	14,500,221	516,679	511,301	580,357
50016	Title Resources Guaranty, Co.	TX	-	398,009	1,652,877	35,950	2,008,730	1,450	1,450	-
50030	US National Title Insurance, Co.	MS	-	106,347	876,572	-	883,826	638	60,638	60,000
51152	WFG National Title Insurance, Co.	SC	3,195	15,519,116	478,092	410,449	15,258,459	174,185	285,713	219,578
50050	Westcor Land Title Insurance, Co.	SC	3,684	78,021	-	4,929	77,594	-	-	-
18 Companies		TOTALS	1,235,976	150,302,434	8,150,694	6,601,212	157,075,693	6,701,520	6,219,063	6,898,443

DATA SOURCE: 2017 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, 2017**

NAIC Number	Company Name	Domicile	Direct Business Only				
			Life Contracts		Accident and Health Premiums	Other Considerations	Deposit-Type Contract
			Life Insurance Premiums	Annuity Considerations			
56499	Assured Life Association	CO	4,450	300	2,357,385	-	-
57223	Baptist Life Association	NY	4,834	-	-	-	-
56030	Catholic Financial Life	WI	59,104	21,497	233	-	-
57770	Catholic Holy Family Society	IL	111,300	-	-	-	-
57347	Catholic Life Insurance	TX	558,157	982,030	-	-	236
57487	Catholic Order Of Foresters	IL	36,601	11,950	6,515	-	-
57991	Everence Association, Inc.	IN	266	-	2,977	-	-
56332	First Catholic Slovak Ladies Association USA	OH	1,266	-	-	-	-
56685	GBU Financial Life	PA	449	60	-	-	-
56154	Gleaner Life Insurance Society	MI	3,854	-	-	-	28
56017	Grand Lodge Benevolent Knights of America	LA	5,752	-	-	-	-
58068	Independent Order Of Foresters US Branch	NY	7,504,468	876	64,729	-	1,878
58033	Knights Of Columbus	CT	21,454,356	(10,252)	1,370,756	-	15,248,980
57835	Knights Of Peter Claver	AL	392,346	-	-	-	-
56758	Loyal Christian Benefit Association	PA	-	-	61,824	-	-
57541	Modern Woodmen Of America	IL	4,356,977	8,731,069	-	-	-
57568	National Catholic Society Of Foresters	IL	2,125	-	-	-	-
56073	National Mutual Benefit	WI	197	-	-	-	-
56383	Order of United Commercial Travelers	OH	20,803	-	1,820,688	-	-
58009	Police & Firemens Insurance Association	IN	878,385	407,573	1,253,622	-	23,564
57622	Polish National Alliance US Of North America	IL	1,607	-	-	-	-
57657	Royal Neighbors Of America	IL	33,665	-	27,966	-	-
57142	Sons Of Norway	MN	420	97	-	-	-
58181	Supreme Council The Royal Arcanum	MA	11,696	-	800	-	-
56014	Thrivent Financial For Lutherans	WI	3,667,675	5,207,860	903,165	-	30,032
56006	Travelers Protective Association Of America	MO	-	-	3,180	-	-
56456	United States Letter Carriers Mutual Benefit	TN	27,700	64,790	18,151	-	-
56413	United Transportation Union Insurance Association	OH	148,998	57,538	112,454	-	-
58017	Western Fraternal Life Association	IA	15,968	-	-	-	557
57010	William Penn Association	PA	1,492	2,955	-	-	84
56170	Womans Life Insurance Society	MI	11,355	-	-	-	131
57320	Woodmen World Life Insurance Society	NE	16,713,532	19,320,443	543,118	-	2,659,426
32 Companies		TOTALS	56,029,798	34,798,786	8,547,563	-	17,964,916

DATA SOURCE: 2017 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

**STATE OF LOUISIANA
GROUP SELF-INSURANCE PREMIUM BUSINESS
WRITTEN CALENDAR YEAR 2017**

<i>Fund Name</i>	<i>Premium Written</i>
LAC Self-Insured Fund (Cotton) ^(e)	\$ 6,072,100
Louisiana Association of Clerks of Court Risk Management Agency ^(b)	465,881
Louisiana Automobile Dealers Association SIF ^(e)	9,216,366
Louisiana Construction & Industry Self Insurers Fund ^(e)	29,370,666
Louisiana Health Care Self Insurance Fund ^(e)	11,923,959
Louisiana Homebuilders Association SIF ^(a)	23,885,472
Louisiana Hospital Association Workers' Compensation SIF ^(e)	6,141,833
Louisiana Housing Council Authorities Group SIF ^(a)	11,509,307
Louisiana Loggers Self-Insured Fund ^(e)	3,637,948
Louisiana Municipal Risk Management Agency ^(e)	26,269,377
Louisiana Public Schools Risk Management Agency ^(d)	5,155,279
Louisiana Restaurant Association SIF ^(e)	18,644,399
Louisiana Rural Parish Insurance Cooperative ^(e)	2,532,851
Police Jury Association of Louisiana ^(e)	18,652,378
Property Casualty Alliance of Louisiana ^(b)	2,382,751
TOTAL	\$175,860,567

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

^(a)As of March 31, 2017

^(b)As of June 30, 2017

^(c)As of July 31, 2017

^(d)As of October 1, 2017

^(e)As of December 31, 2017

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)**

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

<i>Description</i>	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>
Self-Generated Fees	\$26,871,595	\$25,864,556	\$24,611,911
Assessments:			
<i>Health Insurance Portability and Accountability Act Assessment, Interest</i>	923,928	833,581	746,519
<i>Louisiana Insurance Rating Assessment</i>	79,827,255	82,651,998	85,772,293
<i>Insurance Fraud Investigation Assessment</i>	5,694,664	4,859,480	4,081,972
Total Assessments	\$86,445,847	\$88,345,059	\$90,600,784
Federal Funds	\$552,067	\$717,559	\$916,516
Miscellaneous/Other Revenue:			
<i>Louisiana Automobile Theft and Insurance Fraud Prevention Authority (Gifts, Grants, Donations), Interest</i>	3,264	1,171	5,409
<i>Income Not Available</i>	9,569	610,876	653,283
<i>Premium Taxes</i>	892,965,199	885,479,710	529,736,891
Total Other Major State Revenue	\$892,978,032	\$886,091,757	\$530,395,583
Interagency Transfers	-	-	-
TOTAL COLLECTIONS	\$1,006,847,541	\$1,001,018,931	\$646,524,794

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

<i>Description</i>	<i>Revised Statute</i>	<i>Fee Amount</i>	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>
Certificate of Authority, Initial Certificate	22:821(B)(1), 22:269(B)(1), 22:214(B)(1)	2,500/500/25	\$83,000	\$149,325	\$128,450
Securities Fees-Registration of Securities	22:821(B)(6)	200	200	-	137
Filing a Charter, Other Documents and Amendments thereto	22:821(B)(8), 22:269(B)(2)	25/5	3,250	3,050	2,875
Approval Fee of Foreign or Alien Surplus Lines Insurers	22:821(B)(17)	1,050	189,000	183,944	181,650
Third Party Administrators-Licensing Fee	22:821(B)(15)(a)	500	13,500	12,200	11,500
Third Party Administrators-Annual Report Filing Fee	22:821(B)(15)(b)	300	114,300	109,800	108,300
Acquisition of Control or Merger with a Domestic Insurer-Statement Fee	22:821(B)(16)	2,500	-	5,000	2,500
Risk Purchasing Group-Registration Fee	22:821(B)(18)(a)	100	3,250	2,540	2,600
Risk Purchasing Group-Annual Renewal	22:821(B)(18)(b)	50	16,400	17,700	17,500
Viatical Settlement Broker-First Time Applicant	22:821(B)(19)(a)	50	-	100	150
Viatical Settlement Broker-Annual Renewal	22:821(B)(19)(a)	50	400	200	250
Viatical Settlement Provider-First Time Applicant	22:821(B)(19)(c)	1,000	-	2,100	1,100
Vehicle Mechanical Breakdown Insurer	22:362(A)	1,500	88,500	88,050	79,550
Medical Necessity Review Organization-Licensing Fee	22:821(B)(28)(a)	1,500	9,050	9,050	3,000
Medical Necessity Review Organization-Annual Report Filing Fee	22:821(B)(28)(b)	500	-	-	500
Property Residual Value Insurer-Renewal Fee	22:382	1,500	1,500	1,500	-
Dental Referral Plan-Initial License	22:1166	250	-	-	250
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.	2,584,025	2,495,714	2,687,995
Producer License-Additional or Renewal Company Appointment (Yearly)	22:821(B)(3) (a-d), 22:1549(D), 22:1550(D)	20	12,949,070	11,898,530	12,642,020

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 2017-2018</i>	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</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.	\$2,901,615	\$3,449,425	\$3,222,030
Producer License-Surplus Line Broker-First Time Applicant	22:821(B)(3)(e)	250	89,250	62,500	72,900
Producer License-Surplus Line Broker-Renewal Fee	22:821(B)(3)(e)	350	642,260	647,400	276,800
Producer License-Failure to File Producer License Timely (Late Fee)	22:821(B)(3)(f), 22:1547(C)(2)	50	290,920	423,725	291,200
Producer License-Continuing Education Provider/Course Application Fee	22:821(B)(29)(a-b)	250/25	57,259	52,490	60,910
Producer License-Duplicate Producer License/Name Change	22:821(B)(3)(g)	15	30	520	710
Producer License-Invalid/Bad Address	22:1547(G)	50	34,050	44,150	29,450
Managing General Agent- Initial Registration	22:821(B)(14)(a)	300	900	2,400	1,800
Managing General Agent- Annual Registration	22:821(B)(14)(b)	300	9,300	11,400	12,530
Managing General Agent- Insurer's Initial Notice of Appointment	22:821(B)(14)(c)	300	300	2,400	920
Managing General Agent- Insurer's Annual Notice of Appointment	22:821(B)(14)(d)	300	14,100	12,000	13,500
Company Filing of Life, Health and Accident Insurance Policy Forms- Per Product	22:821(B)(11)(a)	100	175,700	158,501	164,700
Company Filing of Property and Casualty Insurance Policy Forms-Per Product	22:821(B)(10)(a)	100	66,650	65,995	69,880
Company Filing to Adopt a Reference or Item Filing of Advisory Organizations Form Reference Filing	22:821(B)(10)(b)	20	5,350	6,340	5,280
Company Filing of Property and Casualty Insurance Policy Endorsements, Amendments, or Riders	22:821(B)(10)(c)	25	87,090	87,965	80,360
Company Filing of Life, Health and Accident Insurance Policy Forms or Health Maintenance Organization Submission- Per Product	22:821(B)(11)(a)	100	49,900	50,000	53,275
Company Filing of Medicare Supplemental Insurance Premium Rates, Rate Schedule and Supporting Documents-Per Type	22:821(B)(11)(b)	100	16,800	16,800	13,600

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 2017-2018</i>	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>
Company Filing of Medicare Supplement Insurance Advertisements, Per Submission	22:821(B)(11)(c)	100	31,600	\$21,000	\$20,100
Health Care Conference			35,160	2,000	40,175
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)		40,020	30,819	169,503
Market Conduct- Professional Service Contract	22:308, 22:705, 22:1985, 22:976(B)		63,647	-	-
Market Conduct- State Examiner	22:308, 22:705, 22:1985, 22:976(B)		200	33,463	23,225
Surplus Lines/Insurance Premium Tax- Professional Service Contract	22:308, 22:705, 22:1985, 22:976(B)		-	100	-
Annual Financial Regulation Fee/ Annual Statement (Health Maintenance Organization)	22:821(B)(2), 22:269(B)(3)(a)	1,000/250	1,436,280	1,376,370	1,365,615
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		856,195	1,469,122	356,190
Lawsuit Fees	9:2800.7(H)	5	20	105	430
Annual Premium Tax Fee (\$90,000)	22:794, 22:821(D)	90,000	90,000	90,000	90,000

**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 2017-2018</i>	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</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	758	\$688	\$1,059
Professional Employer Organization New License	22:1748	500	13,500	14,600	12,600
Professional Employer Organization Renewal	22:1748	300	42,200	40,500	38,800
Limited Licensing for Motor Vehicle Rental Company-Initial License	22:1763(B)	500/100	800	100	1,500
Limited Licensing for Motor Vehicle Rental Company-Renewal	22:1763(B)	250/50	750	1,550	750
Service of Process	22:821(B)(22)	25	2,875	5,300	4,215
Claims Adjuster License and Registration-Business Entity-Initial License	22:821(B)(23)(a)	55	6,490	5,005	2,145
Claims Adjuster License and Registration-Business Entity-Renewal	22:821(B)(23)(a)	50	5,000	8,800	1,250
Claims Adjuster License and Registration-Resident/Non-Resident-Initial License	22:821(B)(23)(b)	55	1,077,740	983,438	789,463
Claims Adjuster License and Registration-Resident/Non-Resident-Renewal	22:821(B)(23)(b)	50	2,398,955	1,573,720	1,343,195
Claims Adjuster License and Registration-Catastrophe and Emergency Claims Adjuster	22:821(B)(23)(c)	25	30,300	21,125	4,300
Public Adjuster License-Business Entity-Initial License	22:821(B)(24)(a)	55	275	330	220
Public Adjuster License-Business Entity-Renewal	22:821(B)(24)(a)	50	550	750	150
Public Adjuster License-Resident/Non-Resident-Initial License	22:821(B)(24)(b)	55	2,860	3,630	1,760
Public Adjuster License-Resident/Non-Resident-Renewal	22:821(B)(24)(b)	50	5,850	3,550	5,250
Risk Retention Group-Initial Registration	22:821(B)(21)	1,000	5,000	7,000	5,000
Certificate of Compliance	22:821(B)(25)	10	2,331	2,632	3,139
Louisiana Automobile Theft and Insurance Fraud Prevention Authority Conference		95	-	16,600	-
Filing of Vehicle Mechanical Break-down Insurance Policies, Per Submission	22:821(B)(26)	25	50	1,575	3,500
Discount Medical Plan-Application	22:2394	250	3,500	3,500	-

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 2017-2018</i>	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>
Home Service Contract Providers-Initial Registration	22:821(B)(30)(a)	600	-	-	-
Home Service Contract Providers-Renewal Fee (Every Two Years)	22:821(B)(30)(b)	250	-	-	250
Prelicensing or Continuing Education-Provider Application	22:821(B)(29)(a)	250	7,250	1,525	4,250
Prelicensing or Continuing Education-Program or Course Application	22:821(B)(29)(b)	25	-	-	25
Appraisers-First Time Applicant	22:821(B)(34)(a)	55	2,890	3,065	720
Appraisers-Renewal Fee	22:821(B)(34)(b)	50	850	855	1,960
Utilization Review Organization (other than a Health Insurance Issuer)-Application Fee	22:821(B)(36)(a)	1,500	7,500	22,500	46,000
Utilization Review Organization (other than a Health Insurance Issuer)-Annual Reporting Fee	22:821(B)(36)(b)	500	-	29,200	30,000
Independent Review Organization-Application Fee	22:821(B)(37)(a)	500	1,500	2,000	1,500
Independent Review Organization-Annual Reporting Fee	22:281(B)(37)(b)	500	-	8,500	3,500
Consultant License-First Time Applicant	22:821 (B) (38) (a-b)	75	5,200	6,375	-
Consultant License-Producer Renewal Fee (Every Two years)	22:821 (B) (38) (a-b)	50	480	300	-
Consultant License-Failure to File License Timely (Per License) (Late Fee)	22:821 (B) (38) (a-b)	50	50	50	-
Claims Adjuster License-Failure to File License Timely (Per License) (Late Fee)	22:821 (B) (23) (d)	50	189,050	-	-
Viatical Settlement Provider-Annual Renewal	22:821 (B) (19) (c)	500	7,000	-	-
TOTAL FEES			\$26,871,595	\$25,864,556	\$24,611,911

**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 2017-2018</i>	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>
HIPAA Assessment	22:1071(D)(2)(a)	923,299	833,365	746,498
HIPAA Interest	22:1071(D)(3)(b)	629	216	21
TOTAL ADMINISTRATIVE FUND		\$923,928	\$833,581	\$746,519

<i>Louisiana Insurance Rating Assessment</i>	<i>Revised Statute</i>	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>
Sheriffs’ Pension Fund, Municipal Police Retirement Fund, Firefighters’ Retirement Fund	22:1476(A)(3)	66,921,052	65,007,190	63,535,649
Municipal Fire and Police Civil Service	22:1476(A)(2)	2,390,038	2,321,685	2,269,130
Department of Insurance	22:1476(B)	10,516,165	15,323,123	19,967,514
TOTAL LOUISIANA INSURANCE RATING ASSESSMENT		\$79,827,255	\$82,651,998	\$85,772,293

<i>Insurance Fraud Investigation Fund Assessment</i>	<i>Revised Statute</i>	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</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)	532,769	501,310	461,269
Fraud Assessment-Department of Justice - 15%	40:1428(A)	672,869	712,672	691,613
Fraud Assessment-Department of Public Safety - 75%	40:1428(A)	4,272,026	3,428,498	2,712,090
TOTAL INSURANCE FRAUD INVESTIGATION FUND ASSESSMENT		\$5,694,664	\$4,859,480	\$4,081,972

APPENDIX I – REVENUE REPORT

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

<i>Federal</i>	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>
Senior Health Insurance Information Program Grant	552,067	600,246	659,488
Premium Rate Review Grant	-	117,313	257,028
TOTAL FEDERAL FUNDS	\$552,067	\$717,559	\$916,516

<i>Louisiana Automobile Theft and Insurance Fraud Prevention Authority</i>	<i>Revised Statute</i>	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>
LATIFPA Fund (Gifts, Grants, Donations)	22:2133(2)	-	9	5,000
LATIFPA Fund Interest	22:2134(A)	3,264	1,162	409
TOTAL LATIFPA		\$3,264	\$1,171	\$5,409

<i>Income Not Available</i>	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>
Income Not Available	1,642	1,463	647,884
Income Not Available - Prior Year Accounts Receivable Collections	7,927	609,413	5,399
TOTAL INCOME NOT AVAILABLE	\$9,569	\$610,876	\$653,283

<i>Insurance Premium Taxes</i>	<i>Revised Statute</i>	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>	<i>Fiscal Year 2015-2016</i>
Medicaid-Enrollment Managed Care Organization-Bayou Health Plan	22:842(B)	417,329,204	427,392,092	113,412,859
Life, Accident and Health	22:838, 22:842, 22:270	108,356,801	110,387,157	96,676,027
Fire Casualty and Miscellaneous	22:838, 22:831	255,011,367	228,414,863	218,259,461
Surplus Lines	22:439	71,313,247	75,585,652	59,584,280
Fireman Training	22:837	3,271,906	3,277,199	3,200,108
Fire Department	22:345	22,101,503	22,299,168	21,961,276
Penalties	22:846, 22:796, 22:440	(942,080)	1,545,545	351,472
Retaliatory	22:836	163,723	192,040	129,871
Sub-Totals		\$876,605,671	\$869,093,716	\$513,575,354
Fire Marshal	22:835	16,359,528	16,385,994	16,161,537
TOTAL INSURANCE PREMIUM TAXES		\$892,965,199	\$885,479,710	\$529,736,891

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