The background of the cover is a circular stained glass window. It depicts a pelican, a bird of prey, with its wings spread, feeding its young in a nest. The colors are primarily blues, purples, and reds, with some yellow and green accents. The scene is set within a circular frame with a grid pattern.

LOUISIANA DEPARTMENT OF INSURANCE

**2013-2014
ANNUAL REPORT**

**JAMES J. DONELON
COMMISSIONER OF INSURANCE**

LOUISIANA DEPARTMENT OF INSURANCE

This public document is published at a total cost of \$7,044.99. Sixty-eight copies of this public document were published in this first printing at a cost of \$494.68. The total cost of all printings of this document, including reprints, is \$7,044.99. This document was published by the Louisiana Department of Insurance to provide an annual report to the Governor and the Louisiana Legislature, as required by La. R.S. 36:8.1 and 682, La. R.S. 49:308.6, and La. R.S. 22:31, 268, 971, 1545, and 1972. The material was printed in accordance with standards for printing by state agencies established pursuant to La. R.S. 43:31.



LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON
COMMISSIONER

February 5, 2015

Honorable Members of the Louisiana Legislature:

The Louisiana Department of Insurance (LDI) welcomes this annual opportunity to share with the Legislature and the public a description of our operations and a quantification of our performance for Fiscal Year 2013-2014 as required by La. R.S. 36:682. LDI's mission continues to be to regulate the Louisiana insurance industry fairly and impartially and to serve as an advocate for the state's insurance consumers. While maintaining high standards for our regulatory activities, the LDI also monitors competition in the marketplace as we know the more competitive the market, the more choices and better prices there will be for policyholders.

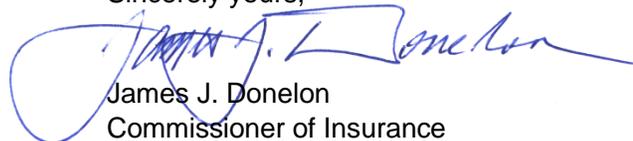
Major personal and commercial lines market competitiveness was stable over the past year, with incremental improvements in the homeowners and private passenger automobile lines. By December 31, 2013, the state's residual property insurance carrier, Louisiana Citizens Property Insurance Corporation, had again reduced its market share from 3.0 percent to 2.3 percent, with the entity dropping from eighth place to ninth place among the top writers of homeowners insurance in Louisiana. Citizens' homeowner market share has continued its 5-year decrease to its current level from 9.8 percent of market share and the third largest writer in 2008. This is a benefit to both the Citizens' policyholders, who obtained cheaper coverage in the private sector, and the other 97 percent of our state's policyholders who are no longer at risk for those Citizens' losses.

There are several organizational changes reflected in this report including the former Office of Receivership functions being merged into the Office of Financial Solvency and the Office of Health Insurance has added a Premium Rate Review Division. The Tax Division of the Office of Financial Solvency has been reassigned to the Office of Management and Finance and merged with Assessment and Data Management to become the Division of Revenue Services. The Senior Health Insurance Information Program has moved into the LDI's major outreach area in the Office of Consumer Advocacy. Finally, the former Insurance Fraud Section has been upgraded to the Division of Insurance Fraud.

I also want to take this opportunity to acknowledge the dedicated community spirit of the LDI staff, who raised and pledged \$10,426 to the 2014 Baton Rouge Area United Way Campaign and donated 1,548 pounds of nonperishables (equivalent to 1,290 meals) to the Baton Rouge Food Bank in its 2013 holiday drive.

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

Sincerely yours,



James J. Donelon
Commissioner of Insurance

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2013-2014

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, 2013
ENDING JUNE 30, 2014**

JAMES J. DONELON

Commissioner of Insurance

www.ldi.la.gov

(800) 259-5300

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



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.

COMMISSIONER OF INSURANCE

CHIEF DEPUTY COMMISSIONER

OFFICE OF THE COMMISSIONER

- »Internal Audit Division
- »Public Affairs Division
- »Division of Minority Affairs
- »Office of Consumer Advocacy
 - ›Senior Health Insurance Information Program

OFFICE OF LICENSING AND COMPLIANCE

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

OFFICE OF FINANCIAL SOLVENCY

- »Financial Examinations Division
- »Actuarial Division
- »Receivership
- »Insure Louisiana Incentive Program

DIVISION OF LEGAL SERVICES

- »Enforcement
- »Regulatory

OFFICE OF MANAGEMENT AND FINANCE

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

OFFICE OF HEALTH INSURANCE

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

OFFICE OF PROPERTY AND CASUALTY

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

DIVISION OF INSURANCE FRAUD

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

TABLE OF CONTENTS

MISSION STATEMENT	I
AGENCY ORGANIZATION CHART AS OF JUNE 30, 2014	II
TABLE OF CONTENTS	III
TEXT TABLES	V
CHARTS.....	VI
EXECUTIVE SUMMARY.....	1
OFFICE OF THE COMMISSIONER	5
Internal Audit Division	6
Public Affairs Division.....	6
Division of Minority Affairs Report as Required by La. R.S. 22:31(5).....	7
Office of Consumer Advocacy	10
Helpful Links.....	12
OFFICE OF MANAGEMENT AND FINANCE	13
Strategic and Operational Planning	14
Administrative Services	14
Fiscal Affairs Division.....	16
Revenue Services Division	20
Information Technology Division.....	22
Budget Division.....	23
Human Resources Division.....	23
Purchasing Division	23
Helpful Links.....	24
OFFICE OF LICENSING AND COMPLIANCE	25
Licensing Division - Producer Licensing.....	26
Louisiana 1401 Life Insurance Exam Results Report as Required by La. R.S. 22:1545(I)	28
Licensing Division - Company Licensing	32
Life, Annuity and Long-Term Care Division	35
Helpful Links.....	37
OFFICE OF HEALTH INSURANCE	39
Premium Rate Review Division	40
Health Forms Division	42
Health Compliance Division	45
Patient Bill of Rights Report as Required by La. R.S. 22:971	47
Health Maintenance Organization Report as Required by La. R.S. 22:268	51
Louisiana Health Care Commission	53
Helpful Links.....	56

TABLE OF CONTENTS

OFFICE OF FINANCIAL SOLVENCY	57
Financial Examinations Division.....	58
Actuarial Division.....	59
Receivership.....	59
Insure Louisiana Incentive Program	60
Helpful Link.....	61
OFFICE OF PROPERTY AND CASUALTY	63
Property and Casualty Rating Division.....	64
Property and Casualty Policy Forms Division	70
Property and Casualty Compliance Division.....	71
Louisiana Property and Casualty Insurance Commission	72
Helpful Links.....	74
DIVISION OF LEGAL SERVICES	75
Legal Services	76
Litigation Disclosure Annual Report as Required by La. R.S. 36:8.1.....	79
Helpful Links.....	81
DIVISION OF INSURANCE FRAUD	83
Fraud and Background Investigations	84
Louisiana Automobile Theft and Insurance Fraud Prevention Authority	90
Helpful Link.....	94
COMPLAINT REPORT as Required by La. R.S. 22:1972.....	95
APPENDICES	101
Appendix A: Insurance Terms	102
Appendix B: Property and Casualty Insurance	107
Exhibit of Premiums and Losses as of December 31, 2013.....	108
Appendix C: Life, Accident and Health Insurance.....	111
Exhibit of Premiums and Benefits as of December 31, 2013	
(a) Life Insurance.....	112
(b) Accident and Health Insurance.....	113
Appendix D: Aggregate Health Premium and Enrollment (Health Statement Only).....	115
Exhibit of Premiums, Enrollment and Utilization as of December 31, 2013.....	116
Appendix E: Health Maintenance Organizations.....	119
Exhibit of Premiums and Losses as of December 31, 2013.....	120
Appendix F: Title Insurance	121
Exhibit of Premiums and Losses as of December 31, 2013.....	122
Appendix G: Fraternal Insurance	123
Exhibit of Premiums and Annuity Considerations as of December 31, 2013.....	124
Appendix H: Group Self-Insurance Funds	125
Premium Business Written During Calendar Year 2013	126
Appendix I: Revenue Report as Required by La. R.S. 49:308.6(C).....	127

TABLE OF CONTENTS

TEXT TABLES

1. Activities of the Division of Minority Affairs – Three-Year History	9
2. Audits of the LDI Compliance Divisions	10
3. Activities of the Office of Consumer Advocacy – Three-Year History	10
4. Assistance Provided to Senior Citizens by the Senior Health Insurance Information Program and Counselors – Three-Year History	11
5. Total Department Fund Sources – Two-Year History	17
6. Total Department Collection of Funds – Two-Year History	18
7. Statement of Revenues and Expenditures	19
8. Surplus Lines and Insurance Premium Taxes – Three-Year History by Category	21
9. Activities of Producer Licensing – Three-Year History	27
10. First-Time Test Takers by Gender and Fail/Pass Status – Calendar Year 2014	29
11. First-Time Test Takers by Ethnicity and Fail/Pass Status – Calendar Year 2014	29
12. First-Time Test Takers by Ethnicity, Gender and Fail/Pass Status – Calendar Year 2014	30
13. First-Time Test Takers by Highest Level of Education and Fail/Pass Status – Calendar Year 2014	31
14. First-Time Test Takers by Primary Language and Fail/Pass Status – Calendar Year 2014	31
15. Activities of Company Licensing	33
16. Entities Licensed or Registered at Fiscal Year-End – Two-Year History	34
17. Forms Activities of the Life, Annuity and Long-Term Care Division	36
18. Life, Annuity and Long-Term Care Forms Received by Coverage Type	36
19. Compliance Activities of the Life, Annuity and Long-Term Care Division – Three-Year History	37
20. Activities of the Premium Rate Review Division	41
21. Activities of the Health Forms Division – Three-Year History	43
22. Health Form Filings Received by Coverage Type – Three-Year History	44
23. Activities of the Health Compliance Division – Three-Year History	46
24. Application Activities of the Medical Necessity Review Organization Unit	46
25. Examinations of Medical Necessity Review Organizations – Three-Year History	46
26. Selected Affordable Care Act Reforms in Southern States	50
27. Domestic Estates Open as of June 30, 2014	60
28. Estates Closed During the Fiscal Year Ending June 30, 2014	60
29. Grant Recipient Premium Assumed or Written	61
30. Rate Filing Impact – Three-Year History	65
31. Methods of Rate Filing – Three-Year History	67
32. Louisiana Property and Casualty Market Exhibit of Underwriting Gains and Losses by Line of Business - Calendar Year 2013	69
33. Property and Casualty Policy Forms Processed – Three-Year History	70
34. Actions Taken on Property and Casualty Policy Forms Processed – Three-Year History	70
35. Activities of the Property and Casualty Compliance Division – Three-Year History	71
36. Legal Issues/Administrative Hearings – Three-Year History	76
37. Lawsuits Brought by the Commissioner or Department of Insurance – Calendar Year 2014	80
38. Actions Taken Regarding Producer, Claims Adjuster and Company Fraud – Three-Year History	86
39. Charges Against Claimants or Licensees Resulting from Referrals by Category	87
40. Background Investigations – Three-Year History	88
41. Fraud Prevention Related Activities – Three-Year History	92
42. Top Five Coverage Types Among Closed Complaints	97
43. Top Five Reasons for Complaint Being Filed	97
44. Complaint Dispositions by All Divisions and Total for LDI	99

TABLE OF CONTENTS

CHARTS

1. Total Department Fund Sources.....	16
2. Total Department Collection of Funds	18
3. Electronically Submitted Applications	27
4. Health Insurance Complaints Received by Coverage Type – Six-Year History.....	52
5. Numbers of Complaints Received by Compliance Divisions and Total for LDI – Six-Year History.....	98
6. Dollars Recovered by Compliance Divisions and Total for LDI – Six-Year History.....	98
7. Closed Complaint Dispositions – Health.....	100
8. Closed Complaint Dispositions – Life, Annuity and Long-Term Care	100
9. Closed Complaint Dispositions – Property and Casualty	100
10. Closed Complaint Dispositions – Total LDI.....	100



Executive Summary

EXECUTIVE SUMMARY

During the past fiscal year, the Louisiana Department of Insurance continued its important mission to regulate the insurance industry and to advocate for the state's insurance consumers. By assuring that insurers in Louisiana are financially sound, producers are knowledgeable, and all regulated entities are responsive to policyholders, the LDI performs a vital role in maintaining and growing Louisiana's economy.

The LDI operated in Fiscal Year 2013-2014 on an appropriated budget of \$34.16 million, including \$1.84 million in federal funds. There were 253 positions authorized by House Bill 1 of the 2014 Regular Session, a reduction of ten from the prior year and the lowest total authorized positions in more than 15 years. The LDI operated with 24 fewer authorized fulltime staff than in Fiscal Year 2004-2005, which serves as the pre-storm comparison basis for the size of state government.

Despite the reduced personnel levels and increased responsibilities under the Affordable Care Act, the LDI was able to maintain services to both regulated entities and the public, and with few exceptions, achieved the performance standards prescribed by the Legislature. The LDI also maintained its accreditation with the National Association of Insurance Commissioners.

The LDI collected \$445.5 million in insurance premium tax on behalf of the general fund; \$60.3 million in assessments on insurance premium for the benefit of the Municipal Police Retirement, Fire Fighters Retirement, Sheriff's Pension and Relief Fund, and Municipal Fire and Police Civil Service; \$50.65 million in LDI operating revenue from fees, assessments, federal grants and other statutory dedicated funds. The LDI reverted \$19.17 million to the state's general fund at year-end.

Licensing of insurers and producers provides the regulatory threshold that those entering and operating in the insurance industry are knowledgeable, capable and financially responsible.

At fiscal year-end, there were 112,784 licensed insurance producers (resident and nonresident) and 51,185 licensed claims adjusters (resident and nonresident), including public adjusters. During the year, the Office of Licensing and Compliance processed 59,632 producer license renewals, 543,695 company appointments, and 20,230 adjuster license renewals. A significant driver of improved efficiency in processing licenses is the voluntary adjustment of the producer and adjuster community to ecommerce. While just six years ago, only 44.0 percent of first-time license applicants (producers and adjusters) used a web-based application process, 97.1 percent of first-timers used online methods in Fiscal Year 2013-2014. License renewals seem to have leveled off at 97.2 percent completed online, versus 85.7 percent in Fiscal Year 2008-2009.

At the end of Fiscal Year 2013-2014, the LDI's Company Licensing section licensed or registered 2,503 business entities, 1,742 of which are risk bearers. These included 109 domestic companies (domestic insurers, health maintenance organizations and captives) and 1,312 admitted foreign and alien insurers, along with other specialty categories.

Regulation of the solvency and market conduct of insurers remains a paramount responsibility of the Department. Both solvency and market conduct of insurers are evaluated through in-house analysis and field examinations. Financial examinations proceed on a statutory schedule. Monitoring during Fiscal Year 2013-2014 resulted in four estates placed in receivership, one of which was restored to sound operations soon thereafter.

The LDI was able to serve the industry in a timely manner in its role of prior approval of insurance policy contract language and, where applicable, rate and rule filings. Property and Casualty and Life, Annuity and Long-Term Care Divisions saw a slight drop in volume of forms submitted for approval; the Health Forms Division had an increase. Overall, there was a 5.6 percent increase in the volume of forms received. Processing time averaged 18.67 days per review, which compares favorably to the

EXECUTIVE SUMMARY

performance standard of 30 days and the statutory requirement to complete form reviews in 45 days. The most improvement occurred in the Property and Casualty Division, where form-processing time improved from an average of 20 days to an average of 15 days.

Despite a 15 percent increase in the number of property and casualty rate filings requiring actuarial review, property and casualty rate filings were processed in an average of 24 days, or 17 percent faster than the performance standard of 29 days. There were 721 property and casualty rate requests requiring actuarial review in Fiscal Year 2013-2014, versus 628 requests in Fiscal Year 2012-2013. The Fiscal Year 2013-2014 overall average rate increase was 2.5 percent; private passenger auto was up 3.8 percent; and homeowners' insurance was up by 4.9 percent.

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 Department's website. Additionally, the Annual Litigation Report newly 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 the section investigates insurance fraud allegations against claimants and regulated entities. The Division refers cases and provides evidentiary support to state police and local law enforcement, as LDI fraud investigators do not have arrest power.

Service to the general public through the compliance divisions, which investigate complaints filed against Property and Casualty, Health Insurance, and Life, Annuity and Long-Term Care companies or producers, is measured as average days to complete the investigation and total dollars recovered as a result of the complaints. Together, all divisions completed 2,732 complaint investigations, in an average of 33.17 days per investigation. Total recovery from insurers because of complaint investigations was \$5.5 million. As a further measure of the effectiveness of the LDI both in service to Louisianans and in regulating the market conduct of licensees, the Department tallied the results of closed complaints, which for Fiscal Year 2013-2014 were 16.8 percent in the complainant's favor, 26.5 percent in the regulated entity's favor, and 56.7 percent with a neutral disposition.

The LDI served the public and the insurance industry in responding to public records requests and to numerous inquiries through phone calls, mailed and faxed requests, and web-based systems. Outreach efforts of the LDI occur in the activities of the Division of Minority Affairs, the Office of Consumer Advocacy, the Senior Health Insurance Information Program, the Louisiana Automobile Theft and Insurance Fraud Prevention Authority, and the Louisiana Health Care Commission. Through live presentations at public and private meetings, conferences and educational seminars and through its outreach partners, the LDI staff made contact with nearly 35,000 people in Louisiana.

Tables and charts in this report are for the 2013-2014 Fiscal Year unless stated otherwise.

Information on market share which has appeared in previous annual reports is now available on the LDI website in both PDF and exportable Excel[®] formats. Since the web-based reports are periodically updated based on late or revised company filings, the market share snapshots will no longer be included in the appendices of the LDI Annual Report. Prior year market share information will remain available on the LDI website for ten years at <https://www.ldi.la.gov/onlineservices/TopTwentyPremiums/>.

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

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Office of the Commissioner

OFFICE OF THE COMMISSIONER

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

In December 2013, Commissioner Jim Donelon completed a one-year term as President of the National Association of Insurance Commissioners.

INTERNAL AUDIT DIVISION

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

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

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

PUBLIC AFFAIRS DIVISION

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

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

OFFICE OF THE COMMISSIONER
PUBLIC AFFAIRS DIVISION

This Division produces more than a dozen consumer guides which include information on purchasing homeowners, health, automobile and life insurance, preparing for disasters and spotting insurance fraud. This fiscal year Public Affairs made two new brochures available online, *Surplus Lines: Insuring Rare, Unusual or Exposed Property in Louisiana* and *Answers to Your Questions About Renters Insurance*. The Division also updated and posted online two guides, *Consumer's Guide to Health Insurance* and *Guide to Teen Auto Insurance*.

During the 2013-2014 Fiscal Year, the Public Affairs Division produced new public service announcements to educate consumers on how the LDI can assist them as well as to raise awareness of insurance fraud in Louisiana. This Division also managed a new Senior Health Insurance Information Program public awareness campaign to inform senior citizens across the state of Medicare Savings Programs through community meetings, a revamped brochure and a public service announcement on both radio and television, which generated significant interest in the programs.

DIVISION OF MINORITY AFFAIRS

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

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

LEGISLATIVE BACKGROUND

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

The Advisory Committee on Equal Opportunity advises and assists this Division in carrying out its duties. The Advisory Committee may also review claims of discrimination in insurance business practices and report to the Commissioner of Insurance any apparent discrimination violations. Originally comprised of 16 members representing insurers, producers and minorities, the Advisory Committee now includes 25 members.

PURPOSE

The purpose of the Division of Minority Affairs is to assist individuals and small, minority and disadvantaged insurance agencies and producers by providing educational and informational services which foster a greater awareness 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.

OFFICE OF THE COMMISSIONER
DIVISION OF MINORITY AFFAIRS

To accomplish this purpose, the Division of Minority Affairs:

- » Surveys insurance companies to obtain statistical information on the number of minorities employed in industry-related career positions.
- » Offers training programs for individuals as well as small, minority and disadvantaged agencies and producers.
- » Strives to increase the number of standard contracts for small, minority and disadvantaged producers with standard insurers.
- » Provides insurance information services to groups of minority and disadvantaged consumers.
- » Recruits minority producers, underwriters and insurance industry employees through the LDI website.
- » Develops working relationships with university personnel to promote academic concentrations in insurance.

MEMBERSHIP OF THE ADVISORY COMMITTEE ON EQUAL OPPORTUNITY

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

The Advisory Committee on Equal Opportunity is composed of 25 members in accordance with La. R.S. 22:32. Twenty-four members appointed by the Governor represent the insurance industry, universities and trade and professional associations, both state and national. The Deputy Commissioner of Minority Affairs serves as the twenty-fifth member.

HIGHLIGHTS

- » The Division of Minority Affairs responded to 79 minority inquiries, 16 of which were requests for assistance with obtaining standard contracts with standard insurers.
- » The Division of Minority Affairs worked with the Eighth Episcopal District of African Methodist Episcopal Churches (which consists of approximately 115 churches in Louisiana and their congregations) to distribute information created by the Division of Minority Affairs and to assist them in obtaining proper insurance coverage for the church and for the underinsured and uninsured congregations.
- » Twenty-seven companies and agencies have agreed to post vacancies to the LDI's Division of Minority Affairs website. During Fiscal Year 2013-2014, four positions were posted to the site.
- » The Division of Minority Affairs participated in six career workshops at Southern University in Baton Rouge. These workshops provided college students with information on educational and employment opportunities within the insurance industry.
- » The Division of Minority Affairs held two workshops entitled "How to Become a Licensed Claims Adjuster," one each in New Orleans and Baton Rouge.

OFFICE OF THE COMMISSIONER
DIVISION OF MINORITY AFFAIRS

- » Consumer guides were distributed at a variety of events including legislative town hall meetings, community events and church conferences. The Division also participated in two small business workshops and seminars with a presentation entitled “Managing Risks for Your Business.”
- » The Division of Minority Affairs worked with the Baton Rouge, New Orleans and Shreveport campuses of the Southern University System to establish academic programs in insurance.
- » The Louisiana Municipal Association Black Caucus, the Police Jury Association of Louisiana Black Caucus and the Louisiana Legislative Black Caucus worked with the Division to develop awareness about opportunities in the insurance industry.
- » The Division of Minority Affairs worked with four minority agencies to provide technical assistance in forming a cluster to obtain contracts with insurance companies and to compete for local, state and federal insurance contracts.
- » The Division of Minority Affairs worked with the National African American Insurance Association during its annual conference in New Orleans. The Division of Minority Affairs worked closely with the Association to develop the new Southeast Louisiana Chapter of National African American Insurance Association.

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

	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>	<i>Fiscal Year 2011-2012</i>
Producers/Agencies Assisted	36	19	22
Consumer/Producer Complaints/ General Information Cases Handled	79	69	73
Complaints Referred to Advisory Committee	0	0	0
Trainings/Seminars Conducted	3	5	2
Training/Seminar Attendees	105	366	291
Business Plan Assistance	1	0	0
Company Positions Posted	4	16	3
Industry Jobs Obtained from Postings	0	0	2
Producers Assisted with Obtaining Contracts	16	0	2

OFFICE OF CONSUMER ADVOCACY

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

During Fiscal Year 2013-2014, the Office of Consumer Advocacy focused its activities on responding to consumer inquiries, performing quality management audits, and maintaining its role in community outreach. This Office also remains available to assist the various divisions within the LDI and will perform a second review of a complaint file, upon request.

The Office of Consumer Advocacy assisted consumers in recovering \$2,132. Table 2 summarizes the inquiries and file audits handled by the Office of Consumer Advocacy.

TABLE 2 AUDITS OF THE LDI COMPLIANCE DIVISIONS

<i>Category</i>	<i>Audits</i>	<i>Inquiries</i>	<i>Percent</i>
Property and Casualty	93	4	52.11%
Health	57	0	30.68%
Life, Annuity and Long-Term Care	30	2	17.21%
TOTAL	180	6	100.0%

OUTREACH ACTIVITIES

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

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

	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>	<i>Fiscal Year 2011-2012</i>
Speaking Engagements	69	56	89
Informational Packets Distributed	5,426	3,675	5,166

SENIOR HEALTH INSURANCE INFORMATION PROGRAM

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

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

The Senior Health Insurance Information Program serves as the vital link between beneficiaries, other state and federal entities, and local and professional organizations. Such entities include the Social Security Administration, 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.

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

	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>	<i>Fiscal Year 2011-2012</i>
Number of Hours Logged by Counselors	9,536	9,776	12,146
Number of Seniors Receiving Services (provided via telephone, email, postal mail and face-to-face contact)	21,657	14,242	17,864
Estimated Savings to Counseled Senior Health Clients	\$2,887,954	\$6,378,429	\$6,737,726
Number of Publications Disseminated	564,520	103,397	103,651
Number of Senior Health Group Presentations Provided (health fairs, senior fairs and enrollment events)	657	363	384
Number of Individuals in Attendance at Presentations	17,500	23,879	27,046
Number of Senior Health Counselor Training Sessions Conducted	316	21	33
Number of Persons Provided Enrollment Assistance	1,704	935	n/a

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

HELPFUL LINKS

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

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

LDI videos on YouTube, www.youtube.com/LAInsuranceDept. Viewers can watch informational videos on insurance topics as well as archived press conferences.

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

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

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

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

A large, circular, stained-glass style graphic is centered on the page. It features a hand holding a pen, with various colored glass panes in shades of blue, purple, and yellow. The text "Office of Management and Finance" is overlaid in the center of this graphic.

Office of Management and Finance

OFFICE OF MANAGEMENT AND FINANCE

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

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

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 2014 Regular Legislative Session, the Division provided information to the Legislative Fiscal Office for its development of 19 fiscal notes. In Fiscal Year 2013-2014, the Department tracked and reported on 36 key (quarterly) performance indicators and 15 supporting (semi-annual) performance indicators and provided general performance data in 83 reportable areas. To view the Department's performance information, in addition to the activity information contained in this annual report, visit www.doa.louisiana.gov/opb/lapas/lapas.htm.

ADMINISTRATIVE SERVICES

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

MAIL ROOM

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

OFFICE OF MANAGEMENT AND FINANCE
ADMINISTRATIVE SERVICES

BUILDING SERVICES

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

TELECOMMUNICATION SERVICES

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

PROPERTY CONTROL AND PHYSICAL INVENTORY

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

VEHICLE SERVICES

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

FILE ROOM

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

FISCAL AFFAIRS DIVISION

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

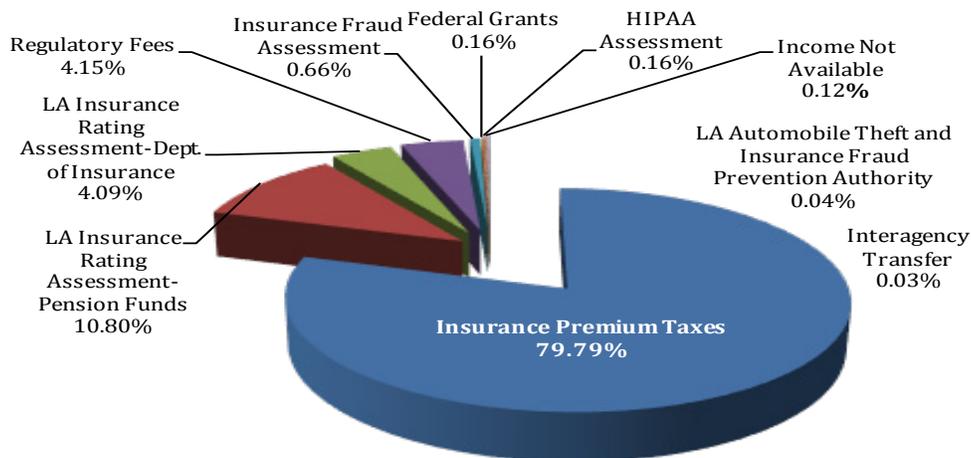
TOTAL DEPARTMENT FUND SOURCES

For Fiscal Year 2013-2014, the Department of Insurance receipts totaled \$558.3 million. Insurance Premium Tax represents the largest portion at 79.79 percent, or \$445.5 million. In addition to the Insurance Premium Taxes, the Department collections include Pension Fund Assessments (Louisiana Insurance Rating) at 10.80 percent, or \$60.2 million; Regulatory Fees and Louisiana Insurance Rating Assessment at 8.25 percent, or \$46 million; and the Insurance Fraud Assessment at 0.66 percent, or \$3.7 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 – \$428,196.21) and Income Not Available represent the bulk of collections at 91.3 percent, or \$509.7 million, and are not used to finance the Department’s operations.

The remaining 8.7 percent, or \$48.6 million, represents a combination of regulatory fees and the Louisiana Insurance Rating Assessment, the Health Insurance Portability and Accountability Act Assessment, Federal Grants (Senior Health Insurance Information Program and Premium Rate Review), Insurance Fraud Assessment (LDI portion only – \$428,196.21), Louisiana Automobile Theft and Insurance Fraud Prevention Authority funds and an Interagency Transfer (Office of Elderly Affairs - Senior Health Insurance Information Program), which may be used to finance the operations of the LDI.

CHART 1 TOTAL DEPARTMENT FUND SOURCES



TOTAL DEPARTMENT FUND SOURCES TABLE 5
TWO-YEAR HISTORY

	<i>Fiscal Year 2013-2014</i>		<i>Fiscal Year 2012-2013</i>	
Insurance Premium Taxes	79.79%	\$445,508,675.37	79.60%	\$421,874,098.22
Louisiana Insurance Rating Assessment - Pension Funds	10.80%	\$60,272,205.25	10.77%	\$57,075,107.73
Louisiana Insurance Rating - Department of Insurance	4.09%	\$22,861,571.76	4.08%	\$21,649,476.75
Regulatory Fees and Licenses	4.15%	\$23,180,236.31	4.43%	\$21,649,476.75
Insurance Fraud Assessment	0.66%	\$3,705,958.30	0.69%	\$3,644,853.93
Federal Grants	0.16%	\$909,702.00	0.15%	\$790,683.00
Health Information Portability and Accountability Act Assessment	0.16%	\$869,781.24	0.13%	\$666,482.73
Income Not Available*	0.12%	\$676,120.26	0.11%	\$573,983.13
Louisiana Automobile Theft and Insurance Fraud Prevention Authority	0.04%	\$223,957.00	0.04%	\$217,268.00
Interagency Transfer (Office of Elderly Affairs - Senior Health Insurance Information Program)	0.03%	\$145,702.48	n/a	n/a
TOTAL		\$558,353,909.97		\$529,960,382.46

*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 \$558.3 million collected in Fiscal Year 2013-2014, \$446.2 million was classified as State General Funds and \$112.1 million was used to finance programs. Among the dedicated programs receiving funding were various law enforcement and firefighter retirement programs, which received \$58.2 million, and Municipal Fire and Police Civil Service, which received \$2 million of the funds collected.

The collection of \$48.6 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 (ten percent). Prior to making the allocations specified, the Commissioner of Insurance is authorized to withhold the sum of \$30,000 to defray the cost of collecting the assessment and withhold \$187,000 to fund the Louisiana Automobile Theft and Insurance Fraud Prevention Authority, in accordance with La. R.S. 40:1428(A)(4)(a).

OFFICE OF MANAGEMENT AND FINANCE
FISCAL AFFAIRS DIVISION

CHART 2 TOTAL DEPARTMENT COLLECTION OF FUNDS

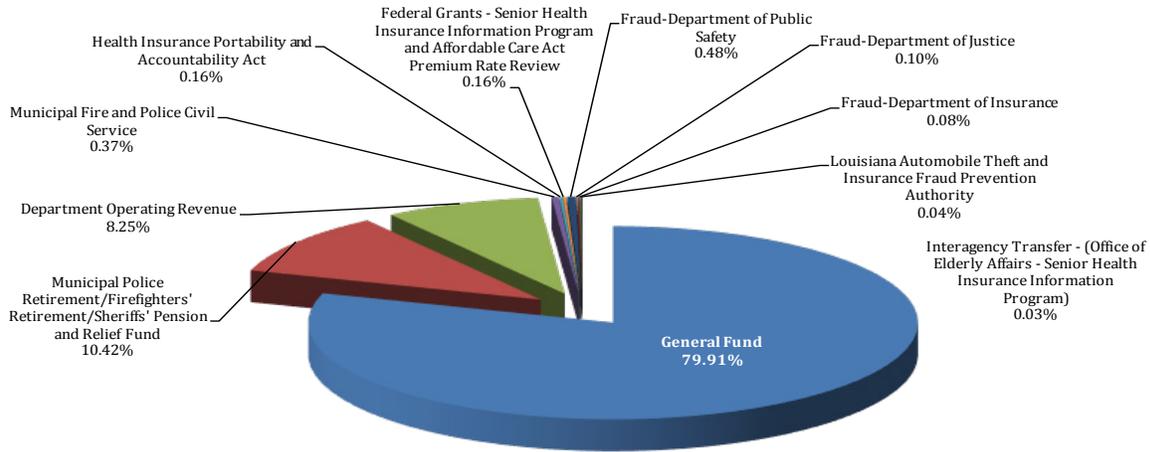


TABLE 6 TOTAL DEPARTMENT COLLECTION OF FUNDS TWO-YEAR HISTORY

	<i>Fiscal Year 2013-2014</i>		<i>Fiscal Year 2012-2013</i>	
General Fund	79.91%	\$446,184,795.63	79.71%	\$422,448,081.35
Municipal Police Retirement/Firefighters' Retirement/Sheriffs' Pension and Relief Fund	10.42%	58,195,005.71	10.40%	55,105,848.21
Department Operating Revenue	8.25%	46,041,808.07	8.51%	45,117,905.72
Municipal Fire and Police Civil Service	0.37%	2,077,199.54	0.37%	1,969,259.52
Health Information Portability and Accountability Act	0.16%	869,781.24	0.13%	666,482.73
Federal Grant (Senior Health Insurance Information Program and Premium Rate Review)	0.16%	909,702.00	0.15%	790,683.00
Fraud Assessment: Department of Public Safety	0.48%	2,693,397.40	0.51%	2,698,236.88
Fraud Assessment: Department of Justice	0.10%	584,364.69	0.11%	553,843.45
Fraud Assessment: Department of Insurance	0.08%	428,196.21	0.07%	392,773.60
Louisiana Automobile Theft and Insurance Fraud Prevention Authority	0.04%	223,957.00	0.04%	217,268.00
Interagency Transfer (Office of Elderly Affairs - Senior Health Insurance Information Program)	0.03%	145,702.48	n/a	n/a
TOTAL*		\$558,354,806.14		\$529,960,382.46

*Total includes \$896.17 of carry forward funds from Fiscal Year 2012-2013. (\$10.60 of Fraud - Carry Forward and \$885.57 of Louisiana Automobile Theft and Insurance Fraud Prevention Authority - Carry Forward)

OFFICE OF MANAGEMENT AND FINANCE
FISCAL AFFAIRS DIVISION

STATEMENT OF REVENUES AND EXPENDITURES TABLE 7

Revenues	
Insurance Premium Taxes	\$445,508,675.37
Louisiana Insurance Rating Assessment - Pension Fund	60,272,205.25
Regulatory Fees	23,180,236.31
Louisiana Insurance Rating Assessment - LDI	22,861,571.76
Insurance Fraud Assessment	3,705,957.30
Fraud - Carry Forward from Fiscal Year 2012-2013	10.60
Health Insurance Portability and Accountability Act Assessment	869,781.24
Health Insurance Portability and Accountability Act - Carry Forward from Fiscal Year 2012-2013	0.00
Louisiana Automobile Theft and Insurance Fraud Prevention Authority	223,957.00
Louisiana Automobile Theft and Insurance Fraud Prevention Authority - Carry Forward from Fiscal Year 2012-2013	885.57
Federal Grant - Senior Health Insurance Information Program	725,789.00
Federal Grant - Affordable Care Act - Premium Rate Review	183,913.00
Interagency Transfer (Office of Elderly Affairs - Senior Health Insurance Information Program)	145,702.48
Income Not Available	676,120.26
Total Revenues	\$558,354,806.14
Expenditures	
Personal Services	\$21,640,700.32
Travel	245,688.70
Operating Services	2,008,028.49
Supplies	149,191.14
Professional Services	2,778,151.51
Other Charges	195,754.96
Capital Outlay	420,923.10
Interagency Transfers	1,815,650.70
Total Expenditures	\$29,254,088.92
Transfer Out	
General Fund	\$446,184,795.63
Reversion to General Fund	19,166,083.19
Municipal Police Retirement/Firefighters' Retirement/Sheriffs' Pension and Relief Fund	58,195,005.71
Municipal Fire and Police Civil Service	2,077,199.54
Insurance Fraud Assessment:	
Department of Public Safety	2,693,397.40
Department of Justice	584,364.69
Administrative Fund (Health Insurance Portability and Accountability Act), Fund Reduction House Bill 477/Act 378 and House Bill 822/Act 597	97,666.09
Total Transfer Out	\$528,998,512.25
Funds Carried Forward Into Fiscal Year 2014-2015	
Insurance Fraud Assessment	\$35,443.81
Health Insurance Portability and Accountability Act	37,673.55
Louisiana Automobile Theft and Insurance Fraud Prevention Authority	29,087.61
Total Funds Carried Forward	\$102,204.97

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, 2013, this Division collected \$328,770,786 in taxes from licensed insurers and \$68,840,907 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 in addition to regulating more than 2,000 licensed surplus lines producers.

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

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

The Louisiana Legislature, insurance companies, brokers, producers, and the Office of Property and Casualty use the data collected and reports prepared by this Division. Data collected by the Revenue Services Division form the basis for assessments made by the Commissioner of Insurance and state guaranty associations. These reports are a matter of public record and are available to the public upon request.

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 2013 was one percent of 2012 premiums. As such, the Louisiana Insurance Rating Assessment was \$82,871,418.79 based on \$8,288,162,560.53 of premiums, with no credits allowed to domestic or foreign insurers.

The Insurance Fraud Assessment in 2013 was 0.000375 of 2012 premiums. As such, the Insurance Fraud Assessment was \$4,250,963.72 based on \$8,670,325,315.83 of property and casualty premiums and \$5,331,156,720.56 of accident and health premiums.

HISTORICAL DATA

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

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

Life, Accident and Health Companies (Including HDMI)			
<i>Year</i>	<i>Gross Premiums</i>	<i>Gross Tax¹</i>	<i>Net Tax²</i>
2013	\$5,956,727,646	\$134,118,180	\$85,573,634
2012	5,701,178,024	128,368,380	81,625,371
2011	5,397,640,538	121,541,310	74,274,425
Fire and Casualty Companies			
2013	9,646,324,906	288,212,065	207,762,034
2012	9,162,443,260	273,830,205	202,247,775
2011	8,779,222,381	262,087,320	190,918,590
Health Maintenance Organizations			
2013	2,347,535,827	52,821,020	32,127,298
2012	1,760,678,808	39,616,895	19,446,333
2011	935,795,603	21,056,590	1,168,839
Title Companies			
2013	153,776,693	4,615,757	3,307,819
2012	133,672,192	4,012,090	2,822,609
2011	105,276,125	3,160,575	2,513,336
Surplus Lines Producers			
2013	1,374,450,950	68,840,907	68,840,907
2012	1,277,157,078	64,005,545	64,005,545
2011	1,255,578,355	62,609,510	62,609,510
TOTALS			
<i>Year</i>	<i>Gross Premiums</i>	<i>Gross Tax¹</i>	<i>Net Tax²</i>
2013	\$19,478,816,022	\$548,607,747	\$397,611,693
2012	\$18,035,129,362	\$509,833,115	\$370,147,633
2011	\$16,473,513,002	\$470,455,305	\$331,484,699

¹Gross Tax is before statutorily authorized credits.

²Net Tax is after credits and represents actual collections.

INFORMATION TECHNOLOGY DIVISION

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

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

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

The major project undertaking in Fiscal Year 2013-2014 was the complete re-write of the Department's Product Filing Matrix. The Matrix was developed as an innovative method to deliver specific policy form language for regulated entities to include in the policy forms submitted to the LDI for review and/or approval through the National Association of Insurance Commissioners program titled the System for Electronic Rate and Form Filings. The Matrix was designed to simplify the process of product filings by allowing regulated entities to search for specific language requirements that must be contained in the product filings as required by statute, regulation or directive.

Other projects realized during the Fiscal Year were:

- » The creation and integration of the Office of Health's Premium Rate Review Division's internal application into the Department's Complaint, Rate and Form Tracking application and the development of an external website through which the public is able to comment upon the proposed health rate increases.
- » The migration of images stored in the Department's FileNet servers to Microsoft SQL which provides for a direct connection from the attachment to the entity identified by the index.
- » The design of a new LDI website that is more user-friendly for the various devices being used and is more consumer and industry driven. The design phase was completed in June 2014, with the creation of new pages and the migration of content to be completed in the next fiscal year.

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

The Information Technology Division completed 2,896 service requests from users during Fiscal Year 2013-2014. These service requests range from minor problems with personal computers to new required functionality for a department-developed application system.

BUDGET DIVISION

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

HUMAN RESOURCES DIVISION

The Human Resources Division is responsible for all human resources functions for the LDI.

- » 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, 2014, the LDI had 261 total employees. Of this total, there were 244 filled classified and unclassified employees, 13 student employees, and four part-time employees. In Fiscal Year 2013-2014, 226 personnel actions were processed to include new hires, promotions, reallocations, separations, etc.

PURCHASING DIVISION

SUPPLIES AND SERVICE PLANS

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

PROFESSIONAL SERVICES CONTRACTS

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

HELPFUL LINKS

Requests for Proposals, www.ldi.la.gov. To access the LDI's current requests for proposals, see "What's New" at the bottom of the LDI home page.

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

A circular graphic with a stained glass pattern in shades of blue and purple. In the center, a hand is depicted holding a pen, with the pen tip pointing towards the bottom right. The text "Office of Licensing and Compliance" is overlaid on this graphic in a bold, brown, serif font.

Office of Licensing and Compliance

OFFICE OF LICENSING AND COMPLIANCE

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

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

LICENSING DIVISION

PRODUCER LICENSING

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

Activities of the Producer Licensing staff include:

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

At the end of Fiscal Year 2013-2014, Louisiana licensed 112,784 producers and 51,185 adjusters. Producer Licensing staff responded to 601 questions submitted through the LDI's website facility "Ask A Question," representing 54.79 percent of all responses provided by LDI staff during Fiscal Year 2013-2014.

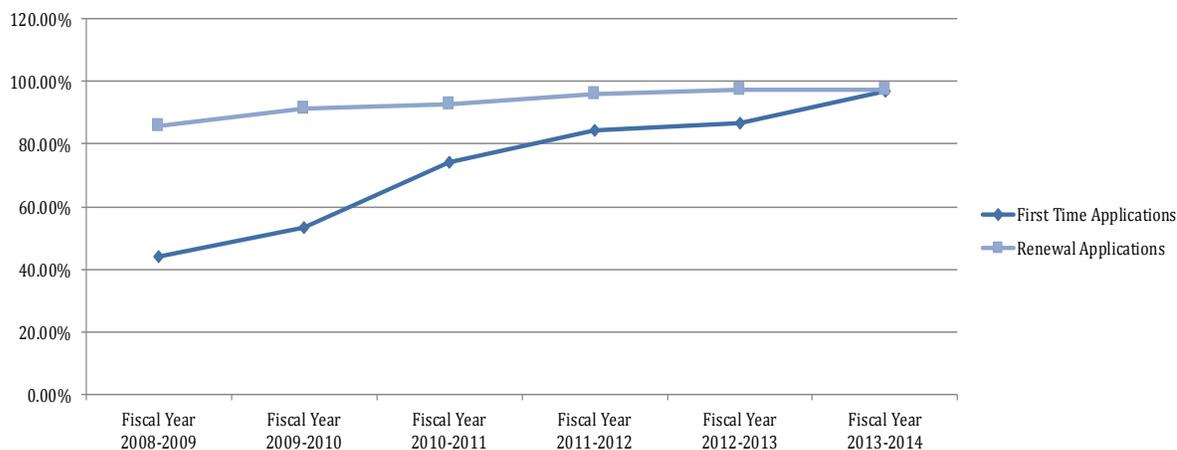
OFFICE OF LICENSING AND COMPLIANCE
LICENSING DIVISION - PRODUCER LICENSING

ACTIVITIES OF PRODUCER LICENSING TABLE 9
THREE-YEAR HISTORY

	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>	<i>Fiscal Year 2011-2012</i>
Resident Life, Health and Accident Licenses Issued	3,697	2,566	2,525
Nonresident Life, Health and Accident Licenses Issued	11,641	9,057	8,974
Resident Property and Casualty Licenses Issued	1,777	1,238	1,277
Nonresident Property and Casualty Licenses Issued	7,309	6,423	6,260
Claims Adjuster Licenses Issued	9,205	10,915	8,972
Public Adjuster Licenses Issued	40	115	34
Company Appointments Processed	543,695	506,215	519,301
Producer License Renewals Processed	59,774	64,161	34,379
Number of Insurance Exams Monitored	8,095	7,328	7,525
Continuing Education Course Applications Approved	1,417	1,514	1,527

In 2003, Louisiana adopted the National Insurance Producer Registry online licensing process for nonresident producer applications. Since then, availability of electronic processing expanded to all resident and nonresident producer and adjuster applications and renewals. Increasing numbers of applicants and licensees are choosing the convenience of electronic processes for applications, renewals and payment of fees. Compared with Fiscal Year 2008-2009, more than twice as many new applicants for producer and adjuster licenses used the online application process. Chart 3 tracks the progress of first time and renewal applications submitted electronically over the past six years.

ELECTRONICALLY SUBMITTED APPLICATIONS CHART 3



LOUISIANA 1401 LIFE INSURANCE EXAM RESULTS REPORT CALENDAR YEAR 2014

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

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

(a) The total number of examinees.

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

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

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

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

PURPOSE

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

INFORMATION ABOUT THE DATA USED

Performance data from first-time test takers is generally more stable; therefore, data from repeat test takers is not included in this report. All demographics included in this report are as voluntarily self-reported by the test takers. Standard deviation information is available at <http://www.lidi.la.gov/docs/default-source/documents/publicaffairs/annualreports/life-insurance-exam-2014.pdf?sfvrsn=4>.

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

FIRST-TIME TEST TAKERS BY GENDER AND FAIL/PASS STATUS **TABLE 10**
CALENDAR YEAR 2014

Gender	Fail	Pass	Total	Percent of Total
Male	173	234	407	43.3%
Percent Male	42.5%	57.5%	100.0%	
Percent Fail or Pass	38.0%	48.2%		
Female	278	244	522	55.5%
Percent Female	53.3%	46.7%	100.0%	
Percent Fail or Pass	61.1%	50.3%		
Chose Not to Respond	4	7	11	1.2%
Percent Chose Not to Respond	36.4%	63.6%	100.0%	
Percent Fail or Pass	0.9%	1.4%		
Total	455	485	940	100.0%
Percent Fail or Pass	48.4%	51.6%		
Percent of Total	100.0%	100.0%	100.0%	

FIRST-TIME TEST TAKERS BY ETHNICITY AND FAIL/PASS STATUS **TABLE 11**
CALENDAR YEAR 2014

Ethnicity	Fail	Pass	Total	Percent of Total
Asian American/Pacific Islander	15	6	21	2.2
Percent Asian Americans/Pacific Islanders	71.4%	28.6%	100.0%	
Percent Fail or Pass	3.3%	1.2%		
Black/African-American	265	192	457	48.6%
Percent Blacks/African-Americans	58.0%	42.0%	100.0%	
Percent Fail or Pass	58.2%	39.6%		
Hispanic/Latin American	13	13	26	2.8%
Percent Hispanics/Latin Americans	50.0%	58.8%	100.0%	
Percent Fail or Pass	2.9%	2.7%		
Native American	4	5	9	1.0%
Percent Native Americans	44.4%	55.6%	100.0%	
Percent Fail or Pass	0.9%	1.0%		
Caucasian/White (non-Hispanic)	123	232	355	37.8%
Percent Caucasians/Whites (non-Hispanic)	34.6%	65.4%	100.0%	
Percent Fail or Pass	27.0%	47.8%		
Other	18	10	28	3.0%
Percent Other	64.3%	35.7%	100.0%	
Percent Fail or Pass	4.0%	2.1%		
Chose Not to Respond	17	27	44	4.7%
Percent Chose Not to Respond	38.6%	61.4%	100.0%	
Percent Fail or Pass	3.7%	5.6%		
Total	455	485	940	100.0%
Percent Fail or Pass	48.4%	51.6%		
Percent of Total	100.0%	100.0%	100.0%	

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

**TABLE 12 FIRST-TIME TEST TAKERS BY ETHNICITY, GENDER AND FAIL/PASS STATUS
 CALENDAR YEAR 2014**

Fail	Gender			
Ethnicity	Male	Female	Chose Not to Respond	Total
Asian American/Pacific Islander Percent Asian Americans/Pacific Islanders Who Failed Percent Gender Group Who Failed	5 33.3% 2.9%	10 66.7% 3.6%	0 0.0% 0.0%	15 100.0%
Black/African-American Percent Blacks/African-Americans Who Failed Percent Gender Group Who Failed	89 33.6% 51.4%	175 66.0% 62.9%	1 0.4% 25.0%	265 100.0%
Hispanic/Latin American Percent Hispanics/Latin Americans Who Failed Percent Gender Group Who Failed	8 61.5% 4.6%	5 38.5% 1.8%	0 0.0% 0.0%	13 100.0%
Native American Percent Native Americans Who Failed Percent Gender Group Who Failed	2 50.0% 1.2%	2 50.0% 0.7%	0 0.0% 0.0%	4 100.0%
Caucasian/White (non-Hispanic) Percent Caucasians/Whites (non-Hispanic) Who Failed Percent Gender Group Who Failed	58 47.2% 33.5%	65 52.8% 23.4%	0 0.0% 0.0%	123 100.0%
Other Percent Others Who Failed Percent Gender Group Who Failed	7 38.9% 4.0%	10 55.6% 3.6%	0 0.0% 0.0%	18 100.0%
Chose Not to Respond Percent Chose Not to Respond Who Failed Percent Gender Group Who Failed	4 23.5% 2.3%	11 64.7% 4.0%	2 11.8% 50.0%	17 100.0%
Total	173	278	4	455
Pass	Gender			
Ethnicity	Male	Female	Chose Not to Respond	Total
Asian American/Pacific Islander Percent Asian Americans/Pacific Islanders Who Passed Percent Gender Group Who Passed	5 83.3% 2.1%	1 16.7% 0.4%	0 0.0% 0.0%	6 100.0%
Black/African-American Percent Blacks/African-Americans Who Passed Percent Gender Group Who Passed	84 43.8% 35.9%	107 55.7% 43.9%	0 0.0% 0.0%	192 100.0%
Hispanic/Latin American Percent Hispanics/Latin Americans who Passed Percent Gender Group Who Passed	8 61.5% 3.4%	5 38.5% 2.0%	0 0.0% 0.0%	13 100.0%
Native American Percent Native Americans Who Passed Percent Gender Group Who Passed	2 40.0% 0.9%	3 60.0% 1.2%	0 0.0% 0.0%	5 100.0%
Caucasian/White (non-Hispanic) Percent Caucasians/Whites (non-Hispanic) Who Passed Percent Gender Group Who Passed	118 50.9% 50.4%	113 48.7% 46.3%	1 0.4% 14.3%	232 100.0%
Other Percent Others Who Passed Percent Males or Females Who Passed	4 40.0% 1.7%	4 40.0% 1.6%	2 20.0% 28.6%	10 100.0%
Chose Not to Respond Percent Chose Not to Respond Who Passed Percent Gender Group Who Passed	13 48.1% 5.6%	11 40.7% 4.5%	3 11.1% 42.9%	27 100.0%
Total	234	244	7	485

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

FIRST-TIME TEST TAKERS BY HIGHEST LEVEL OF EDUCATION AND FAIL/PASS STATUS **TABLE 13**
CALENDAR YEAR 2014

Highest Level of Education	Fail	Pass	Total	Percent of Total
Did Not Finish High School	8	3		1.2%
Percent of this Education Level	72.7%	27.3%	100.0%	
Percent of Fail or Pass	1.8%	0.6%		
High School Diploma or Equivalent	211	147	358	38.1%
Percent of this Education Level	58.9%	41.1%	100.0%	
Percent of Fail or Pass	46.4%	30.3%		
Two-Year College Degree (Associate Degree)	103	84	187	19.9%
Percent of this Education Level	55.1%	44.9%	100.0%	
Percent of Fail or Pass	22.6%	17.3%		
Four-Year College Degree (Bachelor's Degree)	82	173	255	27.1%
Percent of this Education Level	32.2%	67.8%	100.0%	
Percent of Fail or Pass	18.0%	35.7%		
Advanced Degree (Master's Degree or Doctorate)	22	54	73	8.1%
Percent of this Education Level	28.9%	71.1%	100.0%	
Percent of Fail or Pass	4.8%	11.1%		
Chose Not to Respond	29	24	53	5.6%
Percent Chose Not to Respond	54.7%	45.3%	100.0%	
Percent of Fail or Pass	6.4%	4.9%		
Total	455	485	940	100.0%

FIRST-TIME TEST TAKERS BY PRIMARY LANGUAGE AND FAIL/PASS STATUS **TABLE 14**
CALENDAR YEAR 2014

Primary Language	Fail	Pass	Total	Percent of Total
English	433	472	905	96.3%
Percent of English Language	47.8%	52.2%	100.0%	
Percent of Fail or Pass	95.2%	97.3%		
Spanish	7	4	11	1.2%
Percent of Spanish Language	63.6%	36.4%	100.0%	
Percent of Fail or Pass	1.5%	0.8%		
Vietnamese	3	0	3	0.3%
Percent of Vietnamese Language	100.0%	0.0%	100.0%	
Percent of Fail or Pass	0.7%	0.0%		
Other	9	7	16	1.7%
Percent of Other Language	56.3%	43.8%	100.0%	
Percent of Fail or Pass	2.0%	1.4%		
Chose Not to Respond	3	2	5	0.5%
Percent of Chose Not to Respond	60.0%	40.0%	100.0%	
Percent of Fail or Pass	0.7%	0.4%		
Total	455	485	940	100.0%

COMPANY LICENSING

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

Activities of the Company Licensing staff include:

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

OFFICE OF LICENSING AND COMPLIANCE
LICENSING DIVISION - COMPANY LICENSING

ACTIVITIES OF COMPANY LICENSING TABLE 15

	<i>Number Received</i>	<i>Number Approved</i>	<i>Number Disapproved</i>	<i>Number Withdrawn</i>	<i>Number Pending</i>
Domestic					
Captives	0	0	0	0	0
Certificates of Authority (Initial)	2	2	0	0	0
Dissolutions	1	2	0	0	1
Acquisitions	2	2	0	1	0
Mergers	0	0	0	0	0
Form A Exemption Requests	6	4	0	0	1
Regulation 66 Requests	252	247	1	5	13
Letters of No Objection to Expansion	4	5	0	1	2
Health Maintenance Organization Service Area Expansions	1	1	0	0	0
Mutual Holding Company Conversions	0	0	0	0	0
Article Amendments	9	10	0	1	1
Health Maintenance Organizations	1	1	0	0	0
Foreign					
Certificates of Authority (Initial)	25	17	0	2	6
Surplus Lines Approvals (Initial)	11	11	0	0	0
Accredited Reinsurers	0	2	0	0	0
Withdrawals	34	34	0	0	1
Acquisitions	24	20	0	2	1
Mergers	20	16	0	3	1
Domestic, Foreign and Alien					
Third Party Administrator Exceptions	0	0	0	0	0
Third Party Administrator Applications	29	23	0	2	5
Risk Purchasing Groups	55	47	5	1	4
Risk Retention Groups	5	4	0	0	1
Medical Discounts Plans	17	22	1	1	1
Dental Referral Plans	1	0	0	1	0
Viatical Settlement Brokers	0	0	0	0	0
Viatical Settlement Providers	1	1	0	0	0
Security Registrations	2	2	0	0	0
Medical Necessity Review Organization	7	9	0	0	0
Independent Review Organization Applications	1	0	0	1	0
Specialty Insurers - Vehicle Mechanical Breakdown Insurers	6	5	1	0	2
Amendments of Certificate of Authority	9	8	0	2	0
Article Amendments	78	74	0	3	3
Adding Lines to Certificate of Authority	23	14	0	1	9
Certificates of Compliance	93	96	1	1	0
Home Service Contract Providers	13	9	0	1	5
Viatical Investment Agents	1	0	0	0	1
Multiple Employer Welfare Arrangement	1	1	0	0	0
TOTAL	733	689	9	29	58

OFFICE OF LICENSING AND COMPLIANCE
LICENSING DIVISION - COMPANY LICENSING

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

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

LIFE, ANNUITY AND LONG-TERM CARE DIVISION

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

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

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

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

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

TABLE 17 FORMS ACTIVITIES OF THE LIFE, ANNUITY AND LONG-TERM CARE DIVISION

Policy Forms, Annual Certifications, Advertisements and Rates Received	
Forms Received	4,083
Advertisements Received	196
Rates Received	147
TOTAL	4,426
Policy Forms, Advertisements, Annual Certifications and Rates Processed	
Approved	3,953
Accepted/Filed	16
Acknowledged/Informational	652
Disapproved	206
Withdrawn by Company	85
Departmental Withdrawal of Approval*	18
TOTAL PROCESSED	4,930

*Life, Annuity and Long-Term Care also conducts retrospective reviews of previously approved filings to determine compliance with applicable law and takes regulatory action where indicated.

TABLE 18 LIFE, ANNUITY AND LONG-TERM CARE FORMS RECEIVED BY COVERAGE TYPE

Life Insurance Coverage Types	
Adjustable Life	398
Credit Life	7
Endowment	12
Term Life	692
Variable Life	110
Whole Life	561
Life Other/Special*	872
Annuity Coverage Types	
Annuities	1,114
Equity Indexed Annuities	154
Long-Term Care / Viatical Settlement	
Long-Term Care	471
Viatical Settlement	35
TOTAL	4,426

*The Life Other coverage type listed above represents Annual Certification Reports filed by insurers in various combinations of life insurance coverage.

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

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

	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>	<i>Fiscal Year 2011-2012</i>
Consumer Complaint Investigations			
Opened	385	435	449
Closed	385	396	470
In Progress at End of Fiscal Year	35	74	36
Amount of Benefits and Funds Recovered	\$2,395,775	\$1,695,534	\$2,167,956
Amount of Fines Levied for Failure to Respond Timely to a Complaint	\$7,750	\$2,250	\$0
Related Activities			
Life Policy Search	429	302	230
Walk-Ins Assisted	63	39	97
Public Presentations	2	5	7

HELPFUL LINKS

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

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

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

2014 Life License Examination Results as Required by La. R.S. 22:1545, <http://www.ldi.la.gov/docs/default-source/documents/publicaffairs/annualreports/life-insurance-exam-2014.pdf?sfvrsn=4>.

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

OFFICE OF LICENSING AND COMPLIANCE

HELPFUL LINKS

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

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

A circular stained glass logo featuring a hand holding a staff with a snake coiled around it, set against a background of blue and white geometric patterns. The logo is semi-transparent and serves as a background for the title text.

Office of Health Insurance

OFFICE OF HEALTH INSURANCE

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

This Office provides protection to Louisiana consumers, regulates statutory and regulatory compliance of health benefit plans and recommends public policy changes to improve the competitive market and consumers' access to health insurance. This Office was reorganized in Fiscal Year 2013-2014. There are now four divisions in operation:

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

All health product forms, including both major medical and supplemental, limited or excepted benefit products, are reviewed by personnel in the Health Forms Division. This is a change as in prior years the reviews of major medical products and the reviews of supplemental, limited or excepted benefit products were conducted by separate divisions within the Office of Health Insurance.

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

PREMIUM RATE REVIEW DIVISION

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

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

OFFICE OF HEALTH INSURANCE
PREMIUM RATE REVIEW DIVISION

During Fiscal Year 2013-2014, this Division accomplished the following:

- » Contracted with an actuarial firm to review health rates.
- » Enabled the LDI website to allow for publication of health rate determinations and to receive public comments.
- » Created policies and procedures to guide staff of this new Division to review rate filings in a consistent manner.
- » Created form letters for rate filings.
- » Created an educational pamphlet to provide consumers information on the rate review process.
- » Issued Directive 206 which provided instructions to health insurance issuers on the rate review process.

Reportable counts of rate filing activities, shown in Table 20, began in January 2014 when this Division was created. The requirement for health insurance issuers to submit rate filings began on June 27, 2014. This table includes rates that are not subject to review, rates found reasonable or unreasonable, as well as rate filings that were disapproved or withdrawn.

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

Rates Received	75
Rates Not Subject to Review	5
Reasonable Findings	1
Unreasonable Findings	0
Rates Disapproved	2
Filing Withdrawn	1

HEALTH FORMS DIVISION

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

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

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

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

This Division implements its statutory authority by:

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

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

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

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

	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>	<i>Fiscal Year 2011-2012</i>
Policy Forms, Advertisements and Rates Received			
Forms Received	6,142	4,348	4,476
Advertisements Received	901	481	680
Rate Forms Received	1,386	1,193	1,181
TOTAL	8,429	6,022	6,337
Policy Forms, Advertisements and Rates Processed			
Approved	5,653	4,277	4,966
Accepted/Filed	201	399	817
Acknowledged/Informational	79	58	146
Disapproved	725	665	446
Withdrawn by Company	431	266	138
TOTAL PROCESSED	7,089	5,665	6,513
Policy Forms, Advertisements and Rates Pending			
Major Medical and Health Maintenance Organization Policy Forms, Advertisements and Rate Filings Pending at End of Fiscal Year	700	381	62
Supplemental Health Products Filings Pending at End of Fiscal Year	640	301	233

OFFICE OF HEALTH INSURANCE
HEALTH FORMS DIVISION

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

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

	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>	<i>Fiscal Year 2011-2012</i>
Comprehensive Coverage Types			
Major Medical	1,604	979	690
Health Maintenance Organization	1,066	693	551
Short-Term Major Medical	33	4	7
Limited Benefit Coverage Types			
Medicare Supplement/Select	1,298	1,002	1,202
Disability	205	536	379
Dental	1,004	437	575
Hospital Indemnity	780	383	295
Accident Only	600	456	893
Cancer/Dread Disease	545	289	321
Miscellaneous	442	601	463
Accidental Death/Dismemberment	237	114	254
Critical Illness	402	267	393
Vision	102	128	130
Credit Accident and Health	58	111	146
Prescription Drug	53	22	38
TOTAL	8,429	6,022	6,337

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

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

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

OFFICE OF HEALTH INSURANCE

HEALTH FORMS DIVISION

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. Only the portion of health insurance business subject to Health Insurance Portability and Accountability Act regulation is assessable.

Health insurance premiums paid during the 2013 Calendar Year which were subject to assessment totaled \$3,100,649,936. These premiums were assessed at 0.028 percent. A total of \$868,182 was collected from 46 health insurance issuers.

HEALTH COMPLIANCE DIVISION

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

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

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

OFFICE OF HEALTH INSURANCE
HEALTH COMPLIANCE DIVISION

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

	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>	<i>Fiscal Year 2011-2012</i>
Complaint Investigations			
Opened	918	695	910
Closed	863	700	1,118
In Progress at End of Fiscal Year	107	54	59
Amount of Benefits and Refunds Recovered	\$691,785	\$522,443	\$1,306,572
Amount of Fines Levied for Failure to Respond Timely to a Complaint	\$0	\$0	\$500
Related Activities			
Walk-Ins Assisted	13	11	14
Publications Distributed	311	505	557
Public Presentations	4	2	0

In addition to its contact with consumers, health care providers and health insurance issuers through the complaint investigation process, the Compliance Division oversees the review and approval process for the licensure of medical necessity review organizations. While the Licensing Division issues medical necessity review organization licenses, the Office of Health Insurance plays a pivotal role in the review of applications by examining the affairs of the medical necessity review organization. In 2003, a regular triennial examination schedule was established. In Fiscal Year 2013-2014, 28 medical necessity review organizations were examined in accordance with La. R.S. 22:1142(A).

TABLE 24 APPLICATION ACTIVITIES FOR MEDICAL NECESSITY REVIEW ORGANIZATIONS

Applications Pending from Prior Fiscal Year	1
Applications Received	7
Applications Approved	8
Applications Disapproved/Withdrawn	0
Applications Pending Final Action	0

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

	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>	<i>Fiscal Year 2011-2012</i>
Conducted	28	27	15
Approved	28	27	15

PATIENT BILL OF RIGHTS

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

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

PURPOSE

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

FEDERAL ACTION

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

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

OFFICE OF HEALTH INSURANCE

PATIENT BILL OF RIGHTS REPORT

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

LOUISIANA

During the 2014 Regular Legislative Session, the legislature passed two consumer protection bills in the area of health insurance recommended by the LDI.

The first gave the LDI rate review authority for health insurance rates. The second requires the licensing and regulation of exchange navigators.

OTHER STATES

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

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

OFFICE OF HEALTH INSURANCE

PATIENT BILL OF RIGHTS REPORT

Rate review programs administered by state departments of insurance were ranked by the National Conference of State Legislatures in May 2013 as effective, partially effective or no rate review program. Initially, Louisiana was one of the states without an effective rate review program. However, as of January 1, 2014, Louisiana began collecting, reviewing and making determinations of reasonableness for rates and is deemed to have an effective rate review program. As of April 16, 2014, five states have been identified by the Centers for Medicare and Medicaid Services as not having an effective rate review program: Alabama, Missouri, Oklahoma, Texas and Wyoming, meaning that the federal government is reviewing the rates in those states.

External appeals review processes were evaluated by the U.S. Department of Health and Human Services prior to the 2013 Regular Legislative Session. At that time, Louisiana was among ten states not meeting the U.S. Department of Health and Human Services standards for external appeals. During the 2013 Regular Legislative Session, the Legislature enacted La. R.S. 22:2391, et seq., which is termed the “Internal Claims and Appeals Process and External Review Act” that requires external reviews to be completed by Independent Review Organizations. The external review process required by the Internal Claims and Appeals Process and External Review Act is effective January 1, 2015. Therefore, as of January 1, 2015, external appeals of adverse determinations for Louisiana policyholders or enrollees will no longer occur using the federal external review process. According to the Centers for Medicare and Medicaid Services, as of May 22, 2014, eight states fall below the U.S. Department of Health and Human Services standards, making them subject to the federal external review process established by the U.S. Department of Health and Human Services: Alabama, Alaska, Florida, Georgia, Montana, Pennsylvania, West Virginia and Wisconsin.

Marketplaces have been developed in all states to provide access to health insurance and subsidies. Overall, fourteen states and the District of Columbia now fully operate their own state-run marketplaces, termed State Based Marketplaces. There are seven State Partnership Marketplaces. Twenty-nine states, including Louisiana, operate under a Federally Facilitated Marketplace which uses the federal www.healthcare.gov website for enrollment and other administrative actions. Included in the twenty-nine states that use a Federally Facilitated Marketplace are three states (Utah, New Mexico and Mississippi) that operate the small group marketplace (Small Business Health Options Program Marketplace), but rely on the Federally Facilitated Marketplace for their individual markets.

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

OFFICE OF HEALTH INSURANCE
PATIENT BILL OF RIGHTS REPORT

TABLE 26 SELECTED AFFORDABLE CARE ACT REFORMS IN SOUTHERN STATES

<i>State</i>	<i>Rate Review¹</i>	<i>External Appeals²</i>	<i>Marketplaces³</i>
Alabama	No Effective Program	U.S. Department of Health and Human Services Administered	Federal
Arkansas	Effective	Strict Standard	Partnership
Florida	Effective	U.S. Department of Health and Human Services Administered	Federal
Georgia	Effective	U.S. Department of Health and Human Services Administered	Federal
Kentucky	Effective	Strict Standard	State Based
Louisiana	Effective	Strict Standard	Federal
Maryland	Effective	Strict Standard	State Based
Mississippi	Effective	Strict Standard	Federal
North Carolina	Effective	Strict Standard, beginning January 1, 2016	Federal
Oklahoma	No Effective Program	Strict Standard	Federal
South Carolina	Effective	Strict Standard	Federal
Tennessee	Effective	Strict Standard	Federal
Texas	No Effective Program	Similar Standard	Federal
Virginia	Effective	Strict Standard	Federal
West Virginia	Effective	U.S. Department of Health and Human Services Administered	Partnership

¹Centers for Medicare and Medicaid Services, data as of April 16, 2014, www.cms.gov/CCHIO/Resources/Fact-Sheets-and-FAQs/rate_review_fact_sheet.html.

²Centers for Medicare and Medicaid Services, data as of May 22, 2014, www.cms.gov/ccio/resources/files/external_appeals.html.

³National Conference of State Legislatures, data as of November 10, 2014, www.ncsl.org/research/health/state-actions-to-implement-the-health-benefit.aspx.

HEALTH MAINTENANCE ORGANIZATION REPORT

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

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

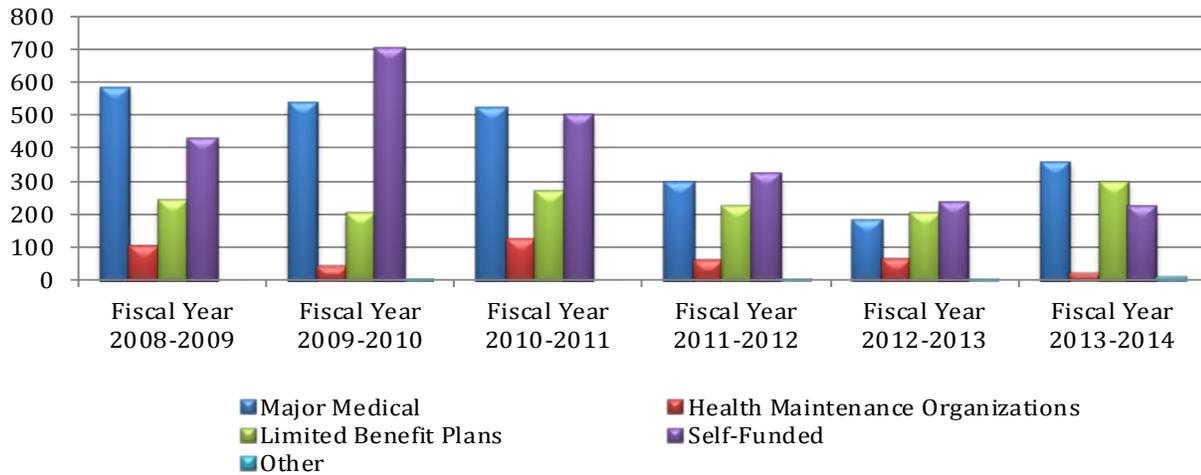
The policy forms of all major medical insurance issuers, including those of health maintenance organizations, are subject to the forms approval process of the LDI. Health maintenance organizations make up about 21.0 percent of the major medical insurance market in Louisiana. Health maintenance organization filings represented about 39.4 percent of all comprehensive coverage forms and about 12.6 percent of all filings reviewed by the Office of Health Insurance (see Table 22 on page 44). Complaints against health maintenance organizations made up only 2.18 percent of all health complaints received during the year, compared to 7.17 percent of health complaints received six years earlier (see Chart 4 on the following page).

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

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

OFFICE OF HEALTH INSURANCE
HEALTH MAINTENANCE ORGANIZATION REPORT

**CHART 4 HEALTH INSURANCE COMPLAINTS RECEIVED BY COVERAGE TYPE
 SIX-YEAR HISTORY**



	<i>Fiscal Year 2008-2009</i>	<i>Fiscal Year 2009-2010</i>	<i>Fiscal Year 2010-2011</i>	<i>Fiscal Year 2011-2012</i>	<i>Fiscal Year 2012-2013</i>	<i>Fiscal Year 2013-2014</i>
Major Medical ¹	585	537	521	297	180	360
Health Maintenance Organizations ²	107	43	125	60	67	20
Limited Benefit Plans ³	243	204	269	228	205	300
Self-Funded ⁴	558	703	501	323	237	226
Other ⁵	0	8	0	2	6	12

¹Major Medical includes group, individual and COBRA policies.

²Health Maintenance Organizations include group, individual and Medicare + Choice coverages.

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

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

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

LOUISIANA HEALTH CARE COMMISSION

LEGISLATIVE BACKGROUND

The Louisiana Health Care Commission was created by law in 1992. The Louisiana Health Care Commission is a 46-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, with the most recent changes effective August 1, 2014.

PURPOSE

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

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

MEMBERSHIP

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

MEETINGS

The Louisiana Health Care Commission conducted nine public meetings during the Fiscal Year. Four meetings of the full Commission were conducted on August 23, 2013; October 25, 2013; February 7, 2014; and May 30, 2014, to discuss issues and receive reports on various health care topics. Additionally, five public meetings were conducted by the Affordable Care Act Working Group of the Louisiana Health Care Commission on February 7, 2014; March 21, 2014; April 11, 2014; May 30, 2014; and June 27, 2014. Presenters included insurance industry executives, health care providers and state health department officials.

OFFICE OF HEALTH INSURANCE
LOUISIANA HEALTH CARE COMMISSION

Reports to the Louisiana Health Care Commission included the following:

- » The role of navigators and the organizations that assist in enrollment for health insurance through the Affordable Care Act.
- » The mission of Chabert Medical Center to serve the indigent population.
- » The effect of public-private partnerships on graduate medical education and access to care.
- » Access to physician services for preventive and specialty care.
- » Enrollment issues stemming from the federal health insurance Marketplace website for the Affordable Care Act.
- » The LDI's role in approving health insurance plans, including those serving the federal insurance exchange, and reviewing health insurance rates.
- » The costs of regulatory compliance to health insurance issuers.
- » The low enrollment rates for 18 to 34 year-olds.
- » The development of free and low-cost resources for rural and other medically underserved areas.

EXECUTIVE COMMITTEE

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

ACCESS TO CARE BROCHURE SUBCOMMITTEE

The Louisiana Health Care Commission Access to Care Brochure Subcommittee was created in 2011. When the Subcommittee was formed, the members agreed to create regional brochures for the uninsured population throughout the state listing local health care resources. During this reporting period, a fifth brochure for the Houma Louisiana area was created, consisting of nine parishes. A sixth brochure for the Northshore Louisiana area was created, consisting of five parishes. Approximately 10,000 brochures were printed for each region and electronic copies of the brochures are also available on the Department of Insurance website. Two additional brochures are planned for the Acadiana and Southwest Louisiana regions.

AFFORDABLE CARE ACT WORKING GROUP

Action was taken at the October 25, 2013, Louisiana Health Care Commission meeting to create a new subcommittee for further study of the Affordable Care Act, including serving as a repository for information, comment and receiving questions from the public. The Affordable Care Act Working Group met five times during this reporting period. Along with acknowledging the Department of Health and Hospitals, the Kaiser Family Foundation and the Louisiana Health Care Quality Forum as reliable

OFFICE OF HEALTH INSURANCE
LOUISIANA HEALTH CARE COMMISSION

sources of current statistical data, the Working Group received the following reports.

- » A report from the Louisiana Health Care Quality Forum on current programs in place and how statistics are derived.
- » A report from the Louisiana Department of Health and Hospitals on Medicaid Eligibility and how it has been affected by the Affordable Care Act.

Recommendations of the Working Group included, among other items, the following:

- » Create an “Affordable Care Act Related Issue Submission Form” for commission members to submit recommendations of aspects of the Affordable Care Act to be studied.
- » Post information gathered to the Department of Insurance website, adding links to useful resources of information related to the Affordable Care Act.
- » Make public service announcements regarding open enrollment.
- » Provide on the Department of Insurance website an interactive way to give consumers applicable information on navigators and Federally Qualified Health Centers.

ANNUAL HEALTH CARE CONFERENCE

The Louisiana Department of Insurance held its Annual Health Care Conference on May 20, 2014, in Baton Rouge. There were approximately 550 consumers, health care providers, academics, government and business representatives from Louisiana and surrounding states in attendance. There were also 16 exhibitor booths at the Conference.

Local and national speakers discussed health care issues that could affect many Louisiana policyholders, employers and providers. Conference panel topics included a status of Louisiana’s public health care system, a federal health care reform update, effects of the Affordable Care Act on access to the provider community, a panel on navigators and producers in the new Marketplace and Louisiana’s private health insurance market. The keynote speaker was John Maginnis, the late author and founder of LAPolitics Weekly.

HELPFUL LINKS

Access to Care Brochures, www.ldi.la.gov/healthuninsured. Brochures of the Louisiana Health Care Commission contain health care resources for the uninsured and underinsured population of the Greater Baton Rouge, Central, Houma, Northeast, Northshore and Northwest regions.

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



Office of Financial Solvency

OFFICE OF FINANCIAL SOLVENCY

The Office of Financial Solvency consists of two divisions and two program functions:

- » Financial Examinations Division
- » Actuarial Division
- » Receivership
- » Insure Louisiana Incentive Program

These divisions work together to examine and monitor the financial condition and market conduct activities 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.

This year, the Office absorbed the receivership function as a result of legislation during the 2013 Regular Session. 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 three units: Financial Examinations, Financial Analysis and Market Conduct.

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 20 financial examinations in Fiscal Year 2013-2014.

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 229 companies in Fiscal Year 2013-2014.

OFFICE OF FINANCIAL SOLVENCY
FINANCIAL EXAMINATIONS DIVISION

The Market Conduct Unit monitors the sales, marketing, underwriting, policy issuance and claims administration activities of insurance companies and producers to determine whether the acts or practices of insurance companies and producers are unfair or deceptive to policyholders or beneficiaries, and to determine if the practices are in violation of Louisiana insurance laws or regulations. The LDI examined the market conduct of 11 companies on-site and analyzed 29 companies' market practices.

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.

RECEIVERSHIP

The Office of Financial Solvency administers the estates of insolvent insurers as efficiently and cost effectively as possible. The goal is to minimize the impact of insolvency to the taxpayers, policyholders and creditors of these insurer estates in Louisiana.

Pursuant to Chapter 9 of the Louisiana Insurance Code and under the jurisdiction of the state courts, the Office of Financial Solvency seeks to maximize insolvent insurer assets and distribute them according to the priority set in law.

At the close of Fiscal Year 2013-2014, five domestic insurers' estates were under the administration of the Office of Financial Solvency. There were no ancillary estates open as of June 30, 2014. Estates opened during the Fiscal Year were Gertrude Geddes Willis Life Insurance Company, LEMIC Insurance Company, Snider Mutual Funeral Association, and one company which was held in conservation for a brief time.

Two estates closed during the Fiscal Year: Escude Life Insurance Company was liquidated, and the company held in conservation (confidential by law) was restored to good health.

Table 27 lists the five domestic estates open at the end of the Fiscal Year.

TABLE 27 DOMESTIC ESTATES OPEN AS OF JUNE 30, 2014

AmCare Health Plans of Louisiana
Gertrude Geddes Willis Life Insurance Company
LEMIC Insurance Company
Patterson Insurance Company
Snider Mutual Funeral Association

TABLE 28 ESTATES CLOSED DURING THE FISCAL YEAR ENDING JUNE 30, 2014

<i>Name of Estate</i>	<i>Closure Date</i>
Escude Life Insurance Company	June 30, 2014
Undisclosed in accordance with La. R.S. 22:2036(E)	June 2014

INSURE LOUISIANA INCENTIVE PROGRAM

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

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

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

During Fiscal Year 2013-2014, the Office of Financial Solvency audited the Louisiana premium reported written and assumed between April 1, 2012 and March 31, 2013 by four participating insurers:

OFFICE OF FINANCIAL SOLVENCY
INSURE LOUISIANA INCENTIVE PROGRAM

ASI Lloyds; Imperial Fire and Casualty Insurance Company; Occidental Fire and Casualty Company of North Carolina; and Southern Fidelity Insurance Company, and between April 1, 2010 and March 31, 2011, by Companion Property & Casualty Insurance Company. The Office of Financial Solvency determined: ASI Lloyds earned \$1,000,000, or 20 percent of its original \$5 million grant amount; Imperial earned \$807,320 or 16.15 percent of its original \$5 million grant amount; Occidental earned \$1,703,401 or 17.03 percent of its original \$10 million grant amount; Southern Fidelity earned \$1,400,000, or 20 percent of its original \$7 million grant amount; Companion earned \$232,987 or 11.65 percent of its original \$5 million grant amount.

Program grant recipient premium audited during the Fiscal Year and totals to date for the Program are displayed in Table 29.

GRANT RECIPIENT PREMIUM ASSUMED OR WRITTEN **TABLE 29**

	<i>Audited 2013-2014</i>	<i>Program to Date</i>
Total	\$186,129,319.94	\$590,067,418.57
On property located in Gulf Opportunity Zone	\$179,199,482.12	\$571,548,563.49
On property previously insured in Citizens	\$39,772,207.90	\$197,607,157.71
On property located in Gulf Opportunity Zone and previously insured by Citizens	\$38,387,481.82	\$191,473,737.16

HELPFUL LINK

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

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A circular stained glass graphic with a hand holding a pen, overlaid with the text "Office of Property and Casualty".

Office of Property and Casualty

OFFICE OF PROPERTY AND CASUALTY

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

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

PROPERTY AND CASUALTY RATING DIVISION

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

It is the purpose of the Office of Property and Casualty, through the authority granted to the Commissioner of Insurance under La. R.S. 22:1451 et seq., to see 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 and all proposed rate and rule changes.
- » Actuarial review of rate filings.

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

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

Actuarial review may result in a company’s filing being amended to a lesser or greater percentage change. A company can appeal the Commissioner’s decision to disapprove a rate or rule filing. Table 30 represents actions taken by the Office of Property and Casualty on rate revision requests which the Actuarial Division reviewed.

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

**RATE FILING IMPACT TABLE 30
THREE-YEAR HISTORY**

All Lines 7/1/2013 to 6/30/2014				
<i>Filing Disposition</i>	<i>Number of Filings</i>	<i>Percent of All Filings</i>	<i>Requested Dollar Impact</i>	<i>Approved Dollar Impact</i>
Disapproved	54	3.7%	\$17,653,469	\$0
Approved	632	42.9%	302,580,783	260,957,801
<i>Amended Rate Change Percent</i>	31	2.1%	122,640,341	81,307,817
<i>All Other Approvals</i>	601	40.8%	179,940,442	179,649,984
Withdrawn	37	2.5%	26,752,930	0
Commercial Informational, Individually Risk Rated and Consent-to-Rate	751	50.9%	not known; data not collected	
TOTALS	1,474	100.0%	\$346,987,182	\$260,957,801
All Lines 7/1/2012 to 6/30/2013				
<i>Filing Disposition</i>	<i>Number of Filings</i>	<i>Percent of All Filings</i>	<i>Requested Dollar Impact</i>	<i>Approved Dollar Impact</i>
Disapproved	41	3.7%	\$106,999,058	\$0
Approved	567	50.7%	244,457,634	232,566,600
<i>Amended Rate Change Percent</i>	30	2.7%	68,681,547	53,835,923
<i>All Other Approvals</i>	537	48.0%	175,776,087	178,730,677
Withdrawn	22	2.0%	40,411,010	0
Commercial Informational, Individually Risk Rated and Consent-to-Rate	488	43.6%	not known; data not collected	
TOTALS	1,118	100.0%	\$391,867,702	\$232,566,600
All Lines 7/1/2011 to 6/30/2012*				
<i>Filing Disposition</i>	<i>Number of Filings</i>	<i>Percent of All Filings</i>	<i>Requested Dollar Impact</i>	<i>Approved Dollar Impact</i>
Disapproved	17	2.0%	\$21,169,143	\$0
Approved	527	62.4%	235,340,850	224,001,076
<i>Amended Rate Change Percent</i>	25	3.0%	77,210,809	75,285,554
<i>All Other Approvals</i>	502	59.5%	158,130,041	148,715,522
Withdrawn	29	3.4%	13,824,718	0
Commercial Informational, Individually Risk Rated and Consent-to-Rate	271	32.1%	not known; data not collected	
TOTALS	844	100.0%	\$270,334,712	\$224,001,076

*There may be slight variances in data for prior years due to annual audits completed after publication date.

OFFICE OF PROPERTY AND CASUALTY
PROPERTY AND CASUALTY RATING DIVISION

Table 31 on page 67 summarizes rate filings for the last three-year periods. Prior approval and a commercial deregulation hybrid are the only filing methods in Louisiana. These provisions are as follows:

PRIOR APPROVAL

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

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

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

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

COMMERCIAL DEREGULATION

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

METHODS OF RATE FILING TABLE 31
THREE-YEAR HISTORY

All Lines 7/1/2013 to 6/30/2014			
<i>Filing Method</i>	<i>Total Number of Rate Filings Reviewed¹</i>	<i>Number of Rate Filings Approved</i>	<i>Number of Rate Filings Not Approved²</i>
Prior Approval ³	721	630	91
Consent-to-Rate ⁴	677	677	0
Individually Risk Rated ⁵	21	21	0
Commercial Informational ⁶	53	47	0
Workers' Compensation Group Self-Insured Funds ⁷	2	2	0
TOTALS: ALL FILING METHODS	1,474	1,377	97
All Lines 7/1/2012 to 6/30/2013 ⁸			
<i>Filing Method</i>	<i>Total Number of Rate Filings Reviewed¹</i>	<i>Number of Rate Filings Approved</i>	<i>Number of Rate Filings Not Approved²</i>
Prior Approval ³	628	565	63
Consent-to-Rate ⁴	358	358	0
Individually Risk Rated ⁵	8	8	0
Commercial Informational ⁶	122	122	0
Workers' Compensation Group Self-Insured Funds ⁷	2	2	0
TOTALS: ALL FILING METHODS	1,118	1,055	63
All Lines 7/1/2011 to 6/30/2012 ⁸			
<i>Filing Method</i>	<i>Total Number of Rate Filings Reviewed¹</i>	<i>Number of Rate Filings Approved</i>	<i>Number of Rate Filings Not Approved²</i>
Prior Approval ³	570	524	46
Consent-to-Rate ⁴	174	174	0
Individually Risk Rated ⁵	6	6	0
Commercial Informational ⁶	91	91	0
Workers' Compensation Group Self-Insured Funds ⁷	3	3	0
TOTALS: ALL FILING METHODS	844	798	46

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

²Not Approved filings include disapproved and withdrawn filings. Pending reviews are not counted.

³La. R.S. 22:1451

⁴La. R.S. 22:1464(E)

⁵La. R.S. 22:1464(A)(1)

⁶La. R.S. 22:1451(D)

⁷LAC 37:XIII:1101 et seq. (Regulation 42)

⁸There may be slight variances in data for prior years due to annual audits completed after publication date.

OFFICE OF PROPERTY AND CASUALTY
PROPERTY AND CASUALTY RATING DIVISION

Each year, the LDI collects the Louisiana Insurance Rating assessment based on the prior year premiums written by each admitted property and casualty company. Only premiums for rate regulated lines of business are included in this assessment.

The total rating assessment in 2013 was one percent of 2012 premiums. As such, the Louisiana Insurance Rating assessment was \$82,871,418.79 based on \$8,288,162,560.53 of premiums, with no credits allowed to domestic or foreign insurers.

Not all lines of business shown in Table 32 are subject to rate regulation and are, therefore, assessable. Lines not subject to rate regulation by the LDI include crop, federal flood, ocean marine, accident and health, aircraft and bail bonds (a subset of surety). Further, the Louisiana Workers' Compensation Corporation and surplus lines are exempt from this assessment.

Table 32 shows the Louisiana premiums paid to insurers in 2013 along with underwriting gains and losses by line, as reported to the National Association of Insurance Commissioners.

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

**LOUISIANA PROPERTY AND CASUALTY MARKET EXHIBIT OF TABLE 32
UNDERWRITING GAINS AND LOSSES BY LINE OF BUSINESS
CALENDAR YEAR 2013**

Line of Business	(A) Direct Premium Written	(B) Direct Premium Earned	(C) Dividends Paid	(D) Incurred Losses & Adjustment Expenses	(E) Estimated Underwriting Expenses	(F) Estimated Other Income / (Expense)	(G) Estimated Underwriting Gain/(Loss), Excluding Investment Income
Fire	366,554,267	355,211,866	246,023	187,067,396	111,333,496	3,354,266	59,919,217
Allied Lines	461,438,301	445,203,208	346,202	134,071,469	139,634,793	17,128,262	188,279,005
Multiple Peril Crop	96,782,375	100,232,538	-	35,578,340	3,929,874	(8,682)	60,715,642
Federal Flood	262,306,588	256,800,586	-	27,846,168	78,232,838	(337,662)	150,383,918
Farmowners Multiple Peril	12,543,329	12,255,588	-	6,758,081	4,902,362	575	595,721
Homeowners Multiple Peril	1,751,444,464	1,714,854,233	5,541,136	640,497,821	610,934,723	11,824,759	469,705,311
Commercial Multiple Peril (Non-Liability)	377,204,677	374,399,334	64,097	94,230,131	139,960,036	(4,780,519)	135,364,551
Commercial Multiple Peril (Liability)	142,226,596	139,005,124	14,389	93,690,256	57,055,137	(761,381)	(12,516,039)
Mortgage Guaranty	59,938,985	55,752,225	-	15,693,730	16,001,287	13,024,322	37,081,530
Ocean Marine	226,975,573	217,267,091	9,968	106,877,270	79,288,444	(1,398,335)	29,693,074
Inland Marine	366,582,679	346,164,669	209,398	134,205,853	127,108,773	(1,192,465)	83,448,180
Financial Guaranty	4,242,080	28,130,099	-	(981,374)	7,798,117	(11,165,382)	10,147,974
Medical Malpractice	103,261,212	105,328,988	5,068,694	36,306,251	40,656,188	2,845,928	26,143,783
Earthquake	8,398,350	8,654,619	9,570	(408,042)	1,804,058	(183,615)	7,065,418
Group Accident and Health	45,098,022	45,620,650	-	37,689,928	10,915,116	(1,990,440)	(4,974,833)
Credit Accident and Health	1,596,179	1,487,694	-	113,347	688,949	12,162	697,559
Other Accident and Health	18,057,221	13,472,388	431	15,064,051	5,044,928	(2,135,553)	(8,772,574)
Workers' Compensation	811,744,679	788,207,013	49,200,231	541,027,283	265,048,009	(10,266,835)	(77,335,346)
Other Liability-Occurrence	606,615,714	577,674,519	448,211	440,568,493	217,474,069	(5,092,088)	(85,908,342)
Other Liability-Claims-Made	184,964,679	180,751,250	25,015	131,354,555	65,606,791	(2,081,728)	(18,316,839)
Excess Workers' Compensation	46,850,838	44,328,602	-	26,651,332	15,395,876	(59,151)	2,222,244
Products Liability	49,200,526	48,596,411	4,450	(10,488,712)	20,293,352	(638,149)	38,149,173
Private Passenger Auto Liability	2,199,650,395	2,161,928,930	6,258,117	1,657,034,493	730,910,774	6,572,733	(225,701,721)
Commercial Auto Liability	490,772,462	458,135,007	15,787	436,073,204	174,450,510	(3,828,808)	(156,233,302)
Private Passenger Auto Physical Damage	1,302,258,828	1,284,238,659	4,235,143	933,700,745	436,210,368	3,375,270	(86,532,327)
Commercial Auto Physical Damage	101,412,124	92,288,986	3,552	60,698,165	28,294,067	(108,687,002)	(105,393,800)
Aircraft (All Perils)	62,934,116	63,520,159	-	30,878,491	18,717,372	(1,321,982)	12,602,314
Fidelity	12,301,738	12,474,897	10	8,605,052	4,946,685	(17,726)	(1,094,576)
Surety	117,291,522	113,730,834	-	(2,158,635)	56,999,558	(267,423)	58,622,488
Burglary and Theft	3,474,536	3,337,501	2	(1,717,515)	1,357,888	(18,035)	3,679,091
Boiler and Machinery	28,200,262	28,064,029	208	2,167,878	9,003,261	(879,893)	16,012,789
Credit	26,966,322	28,500,631	-	4,961,741	15,504,632	302,499	8,336,756
Warranty	12,887,281	8,243,835	-	6,325,025	1,273,226	(4,013)	641,570
Aggregate Write-Ins, Other Lines of Business	40,338,420	38,628,606	-	41,591,337	12,605,370	(24,951)	(15,593,052)
TOTAL	10,402,515,340	10,152,490,769	71,700,634	5,871,573,608	3,509,380,928	(98,701,045)	601,134,554

(A) Actual Reported Louisiana Experience, 2013 Property & Casualty Annual Statement, Page 19 (State Page), Column 1.

(B) Actual Reported Louisiana Experience, 2013 Property & Casualty Annual Statement, Page 19 (State Page), Column 2.

(C) Actual Reported Louisiana Experience, 2013 Property & Casualty Annual Statement, Page 19 (State Page), Column 3.

(D) Actual Reported Louisiana Experience, 2013 Property & Casualty Annual Statement, Page 19 (State Page), Columns 6 & 9.

(E) Actual Reported Louisiana Experience - Commission & Premium Tax Expenses, 2013 Property & Casualty Annual Statement, Page 19 (State Page), Columns 11 & 12 +

Estimated Louisiana Experience based upon Nationwide Ratio of Other Adjustment, Acquisition and General Expenses to Earned Premium (2013 Insurance Expense Exhibit - Part III, Columns 11, 27, & 29).

(F) Estimated Louisiana Experience based upon Nationwide Ratio of Other Income/Expense to Earned Premium, 2013 Insurance Expense Exhibit - Part III, Column 31.

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

REPORT DATE: September 24, 2014

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

PROPERTY AND CASUALTY POLICY FORMS DIVISION

The Policy 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 reasonable.
- » Assurance of consumer protection to the extent authorized by law.

Table 33 shows the total number of policy forms reviewed by this Division.

TABLE 33 **PROPERTY AND CASUALTY POLICY FORMS PROCESSED
THREE-YEAR HISTORY**

<i>Fiscal Year</i>	<i>Total Number of Forms Processed</i>
07-01-2013 to 06-30-2014	19,267
07-01-2012 to 06-30-2013	20,651
07-01-2011 to 06-30-2012	24,516

Of the total number of policy forms in Fiscal Year 2013-2014, 77 percent were approved prior to use, either by receiving LDI approval or by utilizing the Certified Approved process. Table 34 presents the numbers of approval and disapproval actions taken on all forms processed; however, it does not include numbers for forms received for informational purposes only, forms withdrawn or filings where companies adopt filing organizations' forms which the LDI had previously approved for use in Louisiana.

TABLE 34 **ACTIONS TAKEN ON PROPERTY AND CASUALTY POLICY FORMS PROCESSED
THREE-YEAR HISTORY**

<i>Fiscal Year</i>	<i>Approved</i>	<i>Disapproved</i>
07-01-2013 to 06-30-2014	14,767	3,038
07-01-2012 to 06-30-2013	15,104	3,126
07-01-2011 to 06-30-2012	16,949	5,085

PROPERTY AND CASUALTY COMPLIANCE DIVISION

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

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

ACTIVITIES OF THE PROPERTY AND CASUALTY COMPLIANCE DIVISION TABLE 35
THREE-YEAR HISTORY

	<i>Fiscal Year</i> 2013-2014	<i>Fiscal Year</i> 2012-2013	<i>Fiscal Year</i> 2011-2012
Consumer Complaint Investigations			
Opened	1,510	2,014	1,629
Closed	1,484	1,979	1,706
In Progress at End of Fiscal Year	167	1347	100
Amount of Benefits and Refunds Recovered	\$2,406,061	\$3,899,844	\$1,841,450
Amount of Fines Levied for Failure to Respond Timely to a Complaint	\$0	\$0	\$0
Related Activities			
Walk-Ins Assisted	55	64	68
Publications Mailed	2,957	2,592	6,525
Public Presentations	0	2	0

LOUISIANA PROPERTY AND CASUALTY INSURANCE COMMISSION

LEGISLATIVE BACKGROUND AND PURPOSE

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

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

This Commission submits an annual report to the Governor, Commissioner of Insurance and the Legislature, which includes its recommendations based upon its research, meetings and testimony.

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

MEMBERSHIP

The 23-member Commission is composed of insurance industry experts and other interested parties, including national and state property insurer associations, agent associations, law enforcement, community leaders and representatives of various consumer interests. Membership also includes the Commissioner of Insurance, representatives from the Governor’s office, the Attorney General’s office, the Senate and House Committees on Insurance and an appointment designated by the Commissioner of Insurance. During the 2014 Regular Legislative Session, the legislature expanded the membership to 24 to include a representative of the National Association of Mutual Insurance Companies, effective August 1, 2014.

LEGISLATIVE RECOMMENDATIONS

The recommendations for the 2014 Regular Session were:

- » Re-examine driver’s license reinstatement based on Article 894 pleading.
- » Lower the jury trial threshold from \$50,000 to \$10,000.

OFFICE OF PROPERTY AND CASUALTY
LOUISIANA PROPERTY AND CASUALTY INSURANCE COMMISSION

- » Bar “pain and suffering” for uninsured motorists.
- » Prohibit or regulate litigation funding by third party vendors/lenders.
- » Restrict accrual of prejudgment judicial interest except when required by contract.
- » Repeal the direct action statute except in cases where the defendant cannot be served.
- » Amend Louisiana’s uninsured motorists statute to clarify that uninsured motorist/underinsured motorist claims are to be settled just like bodily injury claims.
- » Expand the prohibition on the use of handheld cell phones for all drivers.
- » Reinstate the uninsured motorist statute as a “first party coverage.”

KEY ISSUES ADDRESSED

During Fiscal Year 2013-2014, this Commission met four times to discuss issues affecting the property and casualty insurance market in Louisiana.

The following issues were discussed or presentations made:

- » Remarks: Commissioner of Insurance, Jim Donelon, on issues and actions regarding the National Flood Insurance Program.
- » Update: Louisiana Citizens Property Insurance Corporation.
- » Overview: Workers’ Compensation.
- » Presentation: “Expected Economic Growth of the Construction Industry in Louisiana and its effect on Business and Insurance,” Louisiana Workforce Commission.
- » Presentation: Surplus Lines Overview and Market Update.
- » Report: Driving While Intoxicated Issues by St. Charles Parish District Attorney, Assistant District Attorney and Sheriff’s Office.
- » Report: Electronic Driving While Intoxicated Arrest Reporting System.
- » Report: Auto Insurance Issues by representatives of Allstate, Progressive, USAA and State Farm.
- » Report: Uninsured Motorist Issues relating to the Louisiana Supreme Court Ruling, 2012.
- » Recommendations: Presented and voted upon.

HELPFUL LINKS

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

Insurance producers authorized to sell property and casualty insurance, www.ldi.la.gov/online-services/ProducerAdjusterSearch/. Use the drop down menus; for “License Authority,” choose “Individual Agent (Producer)”; for “Line of Authority,” choose “Property” or “Casualty.”

Louisiana Citizens Insurance Rebate and Tax and Insurance Savings, <http://www.ldi.la.gov/docs/default-source/documents/citizensrebate/insurance-savings-faqs.pdf>. Information and forms to file to receive rebates for assessments paid on property insurance bills. Also includes links to information on state tax deduction and insurance premium discounts for homeowners who strengthen homes against wind storms.

The Louisiana Property & Casualty Insurance Commission Monthly Report, <http://www.ldi.la.gov/industry/resources-and-publications/lpcic/lpcic-monthly-report-newsletter>. The Louisiana Property and Casualty Insurance Commission staff publishes a monthly report and distributes it to a statewide list of interested parties; the newsletter is also emailed to legislators, district attorneys, sheriffs and clerks of court in the state.

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



Division of Legal Services

DIVISION OF LEGAL SERVICES

LEGAL SERVICES

RESPONSIBILITIES AND ACTIVITIES

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

ADMINISTRATIVE HEARINGS

In Fiscal Year 2013-2014, the Division of Legal Services tracked 269 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 36 for the legal issues involved.

**TABLE 36 LEGAL ISSUES/ADMINISTRATIVE HEARINGS
THREE-YEAR HISTORY**

	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>	<i>Fiscal Year 2011-2012</i>
Bail Bond Forfeitures	239	230	215
Cease and Desist Orders	9	9	6
Failure to Pay Taxes, Fines or Assessments	3	7	49
Misappropriations	4	5	9
Misrepresentations	4	0	0
Revocation of Certificate of Authority/License	4	0	0
Unlicensed/Unauthorized Producers or Companies	4	5	3
Other	2	11	8
TOTAL	269	267	290

FINES COLLECTED

In Fiscal Year 2013-2014, the Division of Legal Services assisted the Commissioner of Insurance in collecting \$98,000 in civil fines.

RULES, REGULATIONS, DIRECTIVES, ADVISORY LETTERS, BULLETINS

In addition to administrative hearings, other key responsibilities of the Division of Legal Services center on legislation, regulatory policies and legal opinions. A list of advisory letters, bulletins, directives and regulations promulgated in Fiscal Year 2013-2014 follows.

Advisory Letter 2014-01: Effect of Act 283 of the 2013 Regular Session of the Louisiana Legislature Relative to Health Insurance Issuer Commission Schedules and Producer Compensation. Issued May 2, 2014.

<http://www.ldi.la.gov/docs/default-source/documents/legaldocs/advisoryletters/al2014-01-cur-effectofact283ofthe.pdf>

Advisory Letter 2014-02: Eligibility for Certification as a Reinsurer - Qualified Jurisdictions. Issued May 21, 2014.

<http://www.ldi.la.gov/docs/default-source/documents/legaldocs/advisoryletters/al2014-02-cur-eligibilityforcertifi.pdf?sfvrsn=0>

Bulletin 2013-05: Hospital Indemnity and Other Fixed Indemnity Policies. Issued July 2, 2013.

Bulletin 2013-05 Revised: Hospital Indemnity and Other Fixed Indemnity Policies. Issued August 5, 2013.

<http://www.ldi.la.gov/docs/default-source/documents/legaldocs/bulletins/bul2013-05-cur-hospitalindemnityand.pdf>

Bulletin 2013-06: Form for Acknowledgment of Applicant for Personal Lines Insurance Coverage in the Surplus Lines Market. Issued July 3, 2013.

<http://www.ldi.la.gov/docs/default-source/documents/legaldocs/bulletins/bul2013-06-cur-formforacknowledgeme.pdf?sfvrsn=0>

Bulletin 2013-07: Transitional Relief for Non-Grandfathered Coverage under the Affordable Care Act. Issued November 27, 2013.

Bulletin 2013-07 Revised: Transitional Relief for Non-Grandfathered Coverage Under the Affordable Care Act. Issued December 30, 2013.

<https://ldi.la.gov/docs/default-source/documents/legaldocs/Bulletins/bul2013-07-cur-transitionalrelieffo-revised>

Bulletin 2013-08: Wind Mitigation Credits, Wind Exclusion Credits and Deductible Credits for Residential Property Insurance. Issued December 12, 2013.

<https://ldi.la.gov/docs/default-source/documents/legaldocs/Bulletins/Bul2013-08-Cur-WindMitigationCredit>

DIVISION OF LEGAL SERVICES
RULES, REGULATIONS, DIRECTIVES, ADVISORY LETTERS, BULLETINS

- Bulletin 2014-01: Electronic Filings; 2013 Annual Premium Tax Statement (Form 1061) and 2013 Annual Municipal Premium and Tax Report (Form 1076). Issued January 14, 2014.
<https://ldi.la.gov/docs/default-source/documents/legaldocs/Bulletins/Bul2014-01-Cur-ElectronicFilings2013>
- Bulletin 2014-02: Electronic Filing; Health Insurance Portability and Accountability Act Assessment Worksheet for Health Insurance Premiums Received in 2013. Issued January 14, 2014.
<https://ldi.la.gov/docs/default-source/documents/legaldocs/Bulletins/Bul2014-02-Cur-ElectronicFilingHIPAA>
- Bulletin 2014-03: Deadlines for Health Insurance Issuer Submissions of Product Form Filings and Plan Management Binders. Issued April 14, 2014.
<https://ldi.la.gov/docs/default-source/documents/legaldocs/Bulletins/Bul2014-03-Cur-DeadlinesForHealth>
- Bulletin 2014-04: Extension of Transitional Relief for Non-Grandfathered Coverage Under the Affordable Care Act for the 2015 Plan/Policy Year. Issued April 22, 2014.
<https://ldi.la.gov/docs/default-source/documents/legaldocs/Bulletins/Bul2014-04-Cur-ExtensionOfTransitional>
- Bulletin 2014-05: Louisiana Acts 2014 Numbers 445, 453 and 718 of the 2014 Regular Legislative Session and Ancillary Matters. Issued June 27, 2014.
<https://ldi.la.gov/docs/default-source/documents/legaldocs/Bulletins/Bul2014-05-Cur-LaACTS2014Nos445453>
- Directive 205: Instructions for Discontinuation of Health Insurance Products; Modification of Directive 147; Rate Filings; and Annual Reports. Issued August 15, 2013
- Directive 205 Revised: Instructions for Discontinuation of Health Insurance Products; Modification of Directive 147; Rate Filings; and Annual Reports. Issued November 27, 2013.
<https://ldi.la.gov/docs/default-source/documents/legaldocs/directives/Dir205-Cur-InstructionsForDiscov>
- Directive 206: Instructions for Submission and Requirements Relative to Health Insurance Rate Filing in the Small Group and Individual Markets and the Review of Rates. Issued April 14, 2014.
<https://ldi.la.gov/docs/default-source/documents/legaldocs/directives/Dir206-Cur-InstructionsForSubmission>
- Regulation 56: Credit for Reinsurance. Amended July 2013.
<https://ldi.la.gov/docs/default-source/documents/legaldocs/regulations/reg56curcreditforreinsurance>
- Regulation 101: Registration and Regulation of Navigators. Promulgated October 2013.
<https://ldi.la.gov/docs/default-source/documents/legaldocs/Regulations/Reg101-Cur-RegistrationAndRegul>
- Regulation 43: Companies in Hazardous Financial Condition. Amended December 2013.
<https://ldi.la.gov/docs/default-source/documents/legaldocs/Regulations/Reg43-Cur-CompaniesInHazardous>
- Regulation 66: Requirements for Officers, Directors and Trustees of Domestic Regulated Entities. Amended April 2014.
<https://ldi.la.gov/docs/default-source/documents/legaldocs/Regulations/Reg66-Cur-RequirementsForOffic>

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 which has jurisdiction over the matter, the docket number, the cause of action being averred, and the relief being sought.

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

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

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

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

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

DIVISION OF LEGAL SERVICES
LITIGATION DISCLOSURE ANNUAL REPORT

**TABLE 37 LAWSUITS BROUGHT BY THE COMMISSIONER OR DEPARTMENT OF INSURANCE
 CALENDAR YEAR 2014**

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

HELPFUL LINKS

Regulatory documents issued during 2013-2014 are linked to descriptions on pages 77 and 78.

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

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

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DIVISION OF INSURANCE FRAUD

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 3,838 reports of suspected fraudulent claims during Fiscal Year 2013-2014. 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 18,757 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 1,693 claim fraud investigations to the State Police during the Fiscal Year. There were 114 arrests resulting in 195 charges for numerous crimes as a result of criminal referrals related to suspected fraudulent insurance claims. Those charges are categorized in Table 39.

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

	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>	<i>Fiscal Year 2011-2012</i>
Number of Investigations Opened	82	29	270
Cease and Desist Orders Served	14	5	12
Notices of Proposed Action Served	13	5	11
Criminal Referrals to Law Enforcement	10	9	8
Arrests Made as a Result of Criminal Referrals	1	2	7

DIVISION OF INSURANCE FRAUD
FRAUD AND BACKGROUND INVESTIGATIONS

CHARGES AGAINST CLAIMANTS OR LICENSEES TABLE 39
RESULTING FROM REFERRALS BY CATEGORY

<i>Category</i>	<i>Number of Charges*</i>	<i>Percent of Crimes</i>
Insurance Fraud	146	75.0%
Filing False Public Records	18	9.3%
Forgery	11	5.6%
Theft	5	2.6%
Automobile Insurance Fraud	3	1.5%
Possession of Fraudulent Insurance ID	3	1.5%
Possession of Stolen Things	2	1.0%
Obtaining a Controlled Dangerous Substance by Fraud	2	1.0%
Distribution of a Fraudulent ID Card	1	0.5%
Negotiable Instrument Abuse	1	0.5%
Prohibited Acts, Acting as an Insurance Producer	1	0.5%
Unauthorized Use of a Moveable	1	0.5%

*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.
- » 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 40 BACKGROUND INVESTIGATIONS
THREE-YEAR HISTORY

	<i>Fiscal Year</i> <i>2013-2014</i>	<i>Fiscal Year</i> <i>2012-2013</i>	<i>Fiscal Year</i> <i>2011-2012</i>
Company Applications Received	165	261	127
Company Applications Approved	165	656	138
Company Biographical Affidavits Received	1,116	1,644	1,329
Company Biographical Affidavits Approved	1,116	1,550	1,133

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.

SIGNIFICANT ANTI-FRAUD LEGISLATION PASSED IN 2014

In 2014, the Legislature in Act 116 added to La. R.S. 22:1923 additional acts that constitute insurance fraud. The act of impersonating an insurance company without consent or the act of directing health care treatment without authority in a scheme or artifice to defraud a person are now fraudulent insurance acts. Additionally, the act of receiving anything of value for soliciting or conspiring to execute a scheme or artifice to defraud a person is now a defined insurance fraud act.

The Legislature also amended La. R.S. 22:572.1 to exclude “small companies,” as defined by La. R.S. 22:46, from filing an insurance anti-fraud plan with the Commissioner.

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 Louisiana Automobile Theft and Insurance Fraud Prevention 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 2013-2014 included additional school districts as well as continued outreach into the community. This school-based program emphasizes the consequences and prevention of vehicle theft. Presentations to civic, business and professional organizations cover insurance fraud and vehicle theft prevention.

During Fiscal Year 2013-2014, the Louisiana Automobile Theft and Insurance Fraud Prevention Authority conducted a statewide public awareness campaign.

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

VEHICLE INVESTIGATION PREVENTION ENFORCEMENT RESPONSE PROGRAM

The Louisiana Automobile Theft and Insurance Fraud Prevention Authority began supporting local law enforcement agencies in 2006 when it introduced the Vehicle Investigation Prevention Enforcement Response, or VIPER, a statewide bait vehicle program implemented through a Cooperative Endeavor Agreement with the National Insurance Crime Bureau. Under the Program, vehicles donated by insurance companies and equipped with systems funded by the Louisiana Automobile Theft and Insurance Fraud Prevention Authority are granted to law enforcement agencies through an application process approved by the Louisiana Automobile Theft and Insurance Fraud Prevention Authority Board of Directors. During this reporting period, the bait vehicle program was operational in Baton Rouge, Calcasieu, New Orleans and Ouachita. Since the Program's inception, approximately 240 arrests have been made. During Fiscal Year 2013-2014, bait vehicles were deployed a total of 11,359 hours, resulting in 26 activations and 46 adult arrests. There were no expenditures for the Vehicle Investigation Prevention Enforcement Response Program this Fiscal Year.

LICENSE PLATE RECOGNITION PROGRAM

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

DIVISION OF INSURANCE FRAUD

LOUISIANA AUTOMOBILE THEFT AND INSURANCE FRAUD PREVENTION AUTHORITY

During Fiscal Year 2013-2014, license plate readers were operational in Baton Rouge, New Orleans, Calcasieu, Lake Charles and Kenner. The use of license plate readers in these locations resulted in 1,711,138 reads, 80 arrests, the recovery of 87 stolen vehicles and 41 stolen license plates valued at \$552,887. Expenditures for the License Plate Recognition Program were \$17,374.

EDUCATION AND OUTREACH

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

This fiscal year, the educational curriculum was presented to 575 middle school students in Lake Charles and Baton Rouge and 657 high school students in St. Martin Parish. The vehicle theft and insurance fraud prevention presentations were made to 1,605 individuals in various civic, business and professional organizations in New Orleans, Baton Rouge and Jefferson Parish.

**TABLE 41 FRAUD PREVENTION ACTIVITIES
THREE-YEAR HISTORY**

	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>	<i>Fiscal Year 2011-2012</i>
VIPER (Bait Vehicle) Program			
Hours Deployed	11,359	12,946	14,087
Activations	26	34	29
Adult Arrests	40	40	17
Expenditures	\$0	\$1,000	\$8,000
License Plate Recognition Program			
Reads	1,711,138	1,746,535	2,299,116
Stolen Vehicles Recovered	87	131	44
Stolen License Plates Recovered	41	53	43
Arrests	80	71	53
Value of Recoveries	\$552,887	\$539,850	\$497,117
Expenditures	\$17,374	\$49,933	\$17,000
Education Program			
Middle School Students	575	1,175	1,448
High School Students	657	587	583
Civic Organization Attendees*	1,605	738	6,765*
Expo, Fair and Conference Attendees*	8,940	10,925	*
TOTAL ATTENDEES	11,777	13,425	8,786

*Reported in aggregate in Fiscal Year 2011-2012.

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 2013-2014, Louisiana Automobile Theft and Insurance Fraud Prevention Authority reached nearly 9,000 people.

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

PUBLIC AWARENESS CAMPAIGN

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

MEETINGS

The Louisiana Automobile Theft and Insurance Fraud Prevention Authority's Board of Directors conducted four public meetings during this fiscal year: September 11, 2013, December 11, 2013, March 12, 2014 and June 11, 2014. Two meetings of the Louisiana Automobile Theft and Insurance Fraud Prevention Authority Steering Committee on Equipment Purchases were held: March 20, 2014 and May 14, 2014. 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 governments 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 2013-2014, there was a statutory dedicated fund balance of \$885.57. Revenue collections from solicitations, grants or donations totaled \$36,750.00. In accordance with La. R.S. 40:1428, \$187,000.00 in revenue was deposited in the Louisiana Automobile Theft and Insurance Fraud Prevention Authority Fund established by La. R.S. 22:2134. The interest on investments totaled \$197.00. Total funds for this period were \$224,832.57.

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

OBLIGATIONS

Expenditures during this fiscal year, from the fund totaled \$195,745.00. The ending fund balance for this period was \$29,087.61. At the beginning of the reporting period, there was a balance of \$188,174.00 under the General Cooperative Endeavor Agreement between the Louisiana Automobile Theft and Insurance Fraud Prevention Authority and the National Insurance Crime Bureau.

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

HELPFUL LINK

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



Complaint Report

COMPLAINT REPORT

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

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

The Louisiana Department of Insurance receives complaints from policyholders, insurance claimants and providers of services covered by insurance. The complaints, which often deal with claims for benefits under an insurance policy, are fully investigated by insurance specialists. While complaints tied to claims made up 58 percent of all complaints received by the LDI in Fiscal Year 2013-2014, there were other policy services or underwriting circumstances, such as increases in premiums or non-renewal of coverage, which triggered consumer complaints.

Each complaint is investigated by staff who specialize in the type of coverage involved in the complaint. Specialists in the Office of Licensing and Compliance handle life, annuity and long-term care related complaints. The Office of Property and Casualty staff handles all property and casualty related complaints. Staff in the Office of Health Insurance handles all health insurance related complaints, including timely payment concerns from health care providers. Additionally, the Office of Consumer Advocacy handles cases where the complainant requests additional assistance following the closure of a file by another office.

In Fiscal Year 2013-2014, the LDI received 2,815 complaints, which was 12.7 percent fewer than the prior fiscal year. The numbers of complaints received by each Division during Fiscal Year 2013-2014 were: 385 in the Division of Life, Annuity and Long-Term Care; 918 in Health; and 1,512 in Property and Casualty.

There were 2,732 complaint investigations concluded during Fiscal Year 2013-2014. Overall, the LDI completed complaint investigations in an average of 33.1 days.

The top five types of coverage for which the LDI received complaint investigations through each of the specialized compliance divisions are reported in Table 42, and the top five reasons for complaints that were filed are reported in Table 43. Complaints of an automobile (personal) nature had the greatest volume, at 620, followed by homeowners' complaints at 434, and individual life insurance complaints at 298. Of the top 15 complaint reasons cited by the LDI compliance divisions, ten are claim related.

COMPLAINT REPORT
ALL COMPLIANCE DIVISIONS

TOP FIVE COVERAGE TYPES AMONG CLOSED COMPLAINTS **TABLE 42**

<i>Life, Annuity and Long-Term Care</i>		<i>Health</i>		<i>Property and Casualty</i>	
Life/Individual	298	Accident and Health/Employee Retirement Income Security Act/Self-Fund	182	Auto/Personal	620
Life/Group	27	Accident and Health/Group Major Medical	160	Homeowners	434
Long-Term Care	16	Accident and Health/Individual Major Medical	140	Misc./Worker's Comp./Employer Liability	45
Annuity, Fixed	15	Prescription Drug	86	Auto/Commerical	37
Life/Industrial/Burial	6	Dental	58	Misc./Other/Comm./Busn./Auto./Physical Damage	33

TOP FIVE REASONS FOR COMPLAINT BEING FILED **TABLE 43**

<i>Life, Annuity and Long-Term Care</i>		<i>Health</i>		<i>Property and Casualty</i>	
Policy Services/Other	64	Denial of Claim	304	Claim Delay	259
Policy Service/Delays	45	Claim Handling Delay	124	Denial of Claim	255
Claim Handling/Denial	43	Inadequate Reimbursement Rates	99	Unsatisfactory Claim Handling	237
Claim Handling/Delay	39	Claim Handling/Other	77	Cancellation	157
Claim Handling/Other	31	Unsatisfactory Settlement	57	Premium and Rating	133

The LDI's compliance divisions, including the Office of Consumer Advocacy, assisted complainants in recovering \$5.5 million in claims payments, additional claims payments or refunds by insurers. During Fiscal Year 2013-2014, the Division of Life, Annuity and Long-Term Care in the Office of Licensing and Compliance assisted in recovering \$2,395,775; the Office of Health Insurance, \$691,785; the Office of Property and Casualty, \$2,406,061 and the Office of Consumer Advocacy, \$2,132.

The six-year trends in numbers of complaints received and dollars recovered for consumers are shown in Charts 5 and 6.

COMPLAINT REPORT
ALL COMPLIANCE DIVISIONS

CHART 5 NUMBERS OF COMPLAINTS RECEIVED BY COMPLIANCE DIVISIONS AND TOTAL FOR LDI SIX-YEAR HISTORY

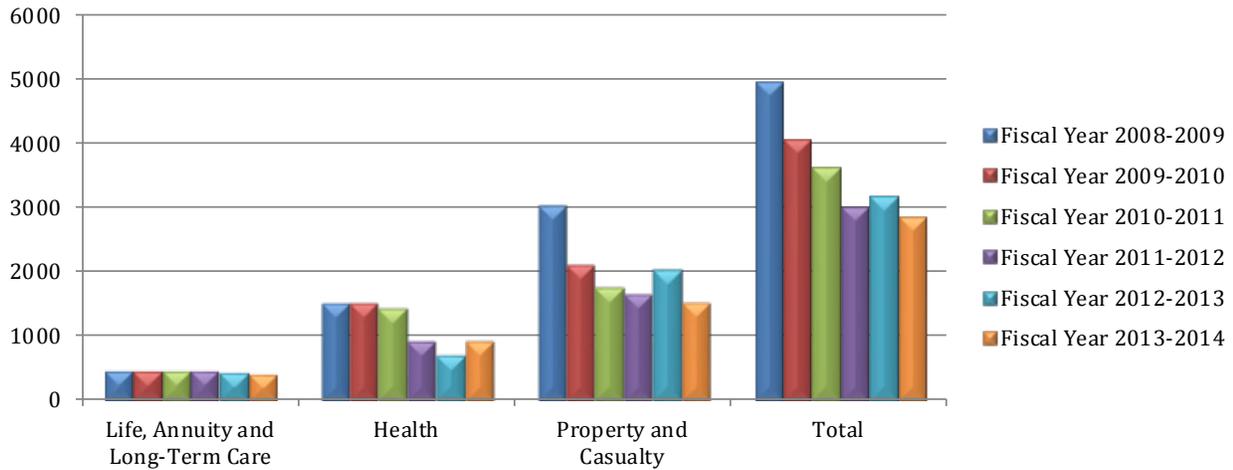
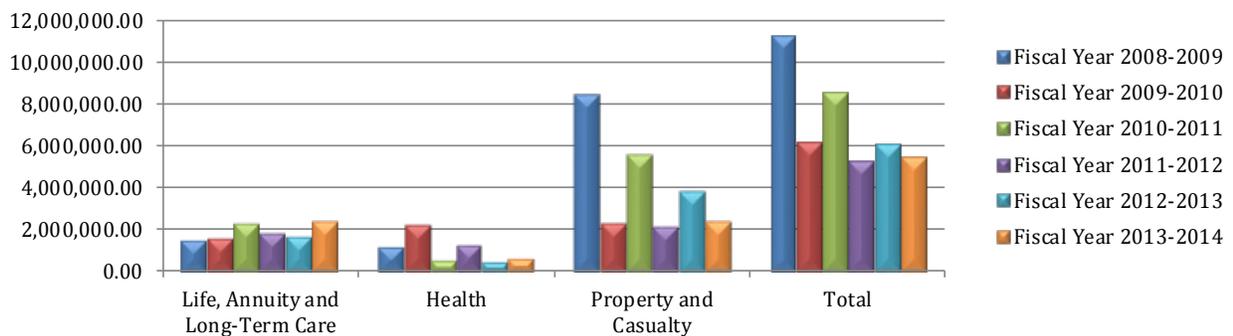


CHART 6 DOLLARS RECOVERED BY COMPLIANCE DIVISIONS AND TOTAL FOR LDI SIX-YEAR HISTORY



COMPLAINT REPORT
ALL COMPLIANCE DIVISIONS

Of the complaint files closed during the fiscal year, 16.8 percent were closed in a manner considered favorable to the complainant; 26.5 percent in a manner favorable to the regulated entity complained against, and 56.7 percent were concluded neutrally.

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

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

Table 44 provides the data for the disposition on closed complaint files by each office and totals for the entire LDI.

COMPLAINT DISPOSITIONS BY ALL DIVISIONS AND TOTAL FOR LDI TABLE 44

<i>Category</i>	<i>Life, Annuity and Long-Term Care</i>	<i>Health</i>	<i>Property and Casualty</i>	<i>Total for LDI</i>	<i>Total Percentage</i>
Favorable to Complainant	67	208	185	460	16.8%
Favorable to Regulated Entity	97	184	443	724	26.5%
Neutral	221	471	856	1,548	56.7%
TOTAL	385	863	1,484	2,732	100.0%

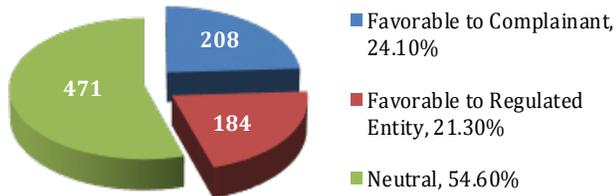
Charts 7-10 give a visual account of how the complaints resolved, whether favorable to the complainant, favorable to the regulated entity complained against or neutral.

Finally, La. R.S. 22:1972 requires the reporting of penalties and costs of proceedings against regulated entities which were brought under the Unfair Trade Practices Act. The Division of Legal Services reports that no fines were imposed on a regulated entity under the Unfair Trade Practices Act during Fiscal Year 2013-2014.

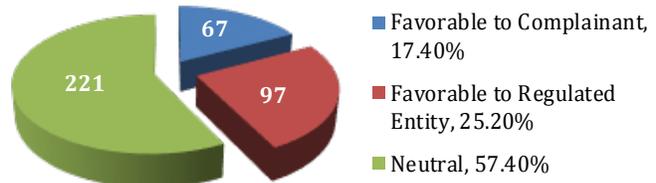
COMPLAINT REPORT
ALL COMPLIANCE DIVISIONS

CHARTS 7-10 **CLOSED COMPLAINT DISPOSITIONS**

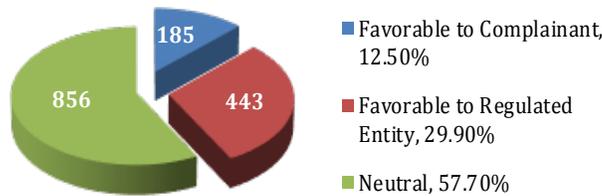
Health



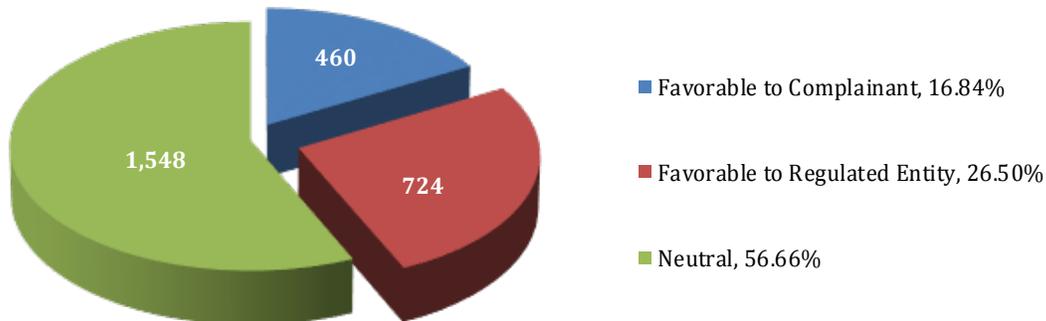
Life, Annuity and Long-Term Care



Property and Casualty



Total LDI



HELPFUL LINKS

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

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



Appendices

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

NOTE: Market Share Reports formerly included as Appendices I-J will no longer be printed in the LDI Annual Report. Since information previously contained in these end of year snapshots is subject to change based on subsequent filings or audits, the LDI provides the most currently available information on its website at <https://www.ldi.la.gov/onlineservices/TopTwentyPremiums/>.

APPENDIX A

EXPLANATION OF 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, Third Edition; Harvey W. Rubin; 2000

GENERAL TERMS

Direct: the term used to describe insurance transactions between the consumer and the insurance company before or without regard to reinsurance transactions among insurance companies.

Domestic: an insurer formed under the laws of the state of Louisiana. The insurance company is domiciled in the state.

Foreign: insurance company whose domicile is in a state other than Louisiana and 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.

Premium Earned: 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 (Earned Premium).

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

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 aircraft 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, and 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 Coverage: coverage if an insured is legally liable for bodily injury or property damage caused by an automobile (Automobile Liability Insurance).

Auto Physical Damage: 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 (Automobile Physical Damage Insurance).

Boiler and Machinery Coverage: 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 special multiperil insurance policy is needed. The insurance covers business property, other property involved and legal fees, if any (Boiler and Machinery Insurance).

Burglary and Theft Coverage: coverage against loss as the result of a burglary, robbery or other forms of larceny.

Commercial Multiple Peril: 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 Package Policy).

Credit Coverage: indemnifies manufacturers, merchants or other providers of goods and services extending credit for losses or damages resulting from the nonpayment of debts owed to them for goods or services provided in the normal course of their business.

APPENDIX A – INSURANCE TERMS

LINES OF BUSINESS

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

Credit Life Insurance: insurance issued to a creditor to cover the life of a debtor 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: 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 (Earthquake Insurance).

Farmowners Multiple Peril: 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 (Farmowners Comprehensive Personal Liability Insurance).

Fidelity Coverage: 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 (Fidelity Bond).

Financial Guaranty: coverage whereby the insurer generally guarantees the principal and interest payments on a corporate or governmental bond issue.

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

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

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

Homeowners Multiple Peril: 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 (Homeowners Insurance Policy).

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.

Medical Malpractice: coverage protecting a licensed health care provider or health care facility against legal liability resulting from the death or injury of any person due to the insured's misconduct, negligence or incompetence in the rendering of professional services.

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

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

Other Accident and Health Coverage: 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 Insurance).

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 against financial loss arising out of legal liability for losses or injury incurred from use of a covered product.

Self-Insurance Plan: any contract, plan, trust, arrangement or other agreement which is established or maintained to offer or provide health care services, indemnification or payment for health care services or health and accident benefits to employees of two or more employers, but which is not fully insured. An arrangement shall be deemed "fully-insured" only if said benefits are guaranteed under a policy of health insurance issued by an insurer authorized to transact business in Louisiana.

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, 2013

LINE#	LINE OF BUSINESS	DIRECT PREMIUM WRITTEN	DIRECT PREMIUM EARNED	DIVIDENDS PAID ON DIRECT BUSINESS	DIRECT UNEARNED PREMIUM RESERVE	DIRECT LOSSES PAID (DEDUCTING SALVAGE)	DIRECT LOSSES INCURRED
01	Fire	366,554,267	355,211,866	246,023	160,761,973	138,380,808	184,959,988
02.1	Allied Lines	461,438,301	445,203,208	346,202	210,185,522	251,700,549	127,222,940
02.2	Multiple Peril Crop	96,782,375	100,232,538	-	1,614,445	31,153,968	35,641,643
02.3	Federal Flood	262,306,588	256,800,586	-	130,690,555	62,906,805	26,287,160
03	Farmowners Multiple Peril	12,543,329	12,255,588	-	6,001,422	7,042,156	6,405,387
04	Homeowners Multiple Peril	1,751,444,464	1,714,854,233	5,541,136	897,270,658	734,675,539	621,942,113
05.1	Commercial Multiple Peril (Non-Liability)	377,204,677	374,399,334	64,097	168,576,351	131,662,897	93,180,331
05.2	Commercial Multiple Peril (Liability)	142,226,596	139,005,124	14,389	63,230,109	58,881,766	59,380,460
06	Mortgage Guaranty	59,938,985	55,752,225	-	13,861,684	36,572,168	15,426,080
08	Ocean Marine	226,975,573	217,267,091	9,968	100,397,286	124,555,433	85,777,045
09	Inland Marine	366,582,679	346,164,669	209,398	128,471,018	123,467,448	130,679,852
10	Financial Guaranty	4,242,080	28,130,099	-	97,831,883	465,110	(944,374)
11	Medical Professional Liability	103,261,212	105,328,988	5,068,694	41,601,518	22,300,934	23,216,820
12	Earthquake	8,398,350	8,654,619	9,570	3,787,893	22,202	(402,745)
13	Group Accident and Health	45,098,022	45,620,650	-	8,636,829	35,190,395	37,578,708
14	Credit Accident and Health	1,596,179	1,487,694	-	1,650,210	281,220	114,926
15.1	Collectively Renewable Accident and Health	1,436	1,469	-	407	-	(67)
15.2	Non-Cancelable Accident and Health	-	6,194	-	39,556	-	-
15.3	Guaranteed Renewable Accident and Health	12,737,298	8,217,777	-	53,325,826	9,067,288	13,090,976
15.4	Non-Renewable Accident and Health	3,961,418	3,903,469	431	1,795,817	2,037,916	1,619,408
15.5	Other Accident Only	189,470	227,708	-	26,116	135,349	88,054
15.6	Medicare Title XVIII	-	-	-	-	-	-
15.7	All Other Accident and Health	1,167,599	1,115,771	-	332,948	367,261	230,419
15.8	Federal Employees Health Benefits Program	-	-	-	-	-	-
16	Workers' Compensation	811,744,679	788,207,013	49,200,231	274,576,553	444,560,305	473,366,660
17.1	Other Liability-Occurrence	606,615,714	577,674,519	448,211	287,693,023	286,304,549	339,462,950
17.2	Other Liability-Claims-Made	184,964,679	180,751,250	25,015	105,187,679	85,532,690	99,883,759
17.3	Excess Workers' Compensation	46,850,838	44,328,602	-	12,609,108	20,712,568	24,225,892
18	Products Liability	49,200,526	48,596,411	4,450	18,806,625	33,279,026	(23,555,446)
19.1	Private Passenger Auto No-Fault	(2)	(2)	-	-	244,057	37,379
19.2	Private Passenger Auto Liability	2,199,650,397	2,161,928,932	6,258,117	603,361,271	1,469,660,032	1,549,427,196
19.3	Commercial Auto No-Fault	120,415	125,085	-	51,177	27,695	53,537
19.4	Commercial Auto Liability	490,652,047	458,009,922	15,787	210,526,642	394,439,015	386,110,310
21.1	Private Passenger Auto Physical Damage	1,301,722,473	1,284,201,375	4,235,143	368,325,106	923,318,295	926,742,880
21.2	Commercial Auto Physical Damage	101,412,124	92,288,986	3,552	53,565,462	56,354,165	58,119,329
22	Aircraft (All Perils)	62,934,116	63,520,159	-	30,605,746	30,069,087	29,106,324
23	Fidelity	12,301,738	12,474,897	10	8,255,040	4,949,875	8,072,652
24	Surety	117,278,003	113,349,731	-	54,160,824	29,673,542	(790,896)
26	Burglary and Theft	3,474,536	3,337,501	2	1,293,028	308,381	(1,246,170)
27	Boiler and Machinery	28,200,262	28,064,029	208	11,484,694	6,041,094	2,259,897
28	Credit	26,966,322	28,500,631	-	18,147,654	6,700,505	4,776,154
30	Warranty	12,887,281	8,243,835	-	23,461,337	6,065,019	6,322,483
34	Aggregate Write-Ins, Other Lines of Business	40,338,420	38,628,606	-	23,484,236	25,226,734	36,707,918
35	TOTALS	10,401,965,462	10,152,072,367	71,700,639	4,195,685,230	5,594,333,826	5,380,577,918

DATA SOURCE: 2013 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, 2013

LINE#	LINE OF BUSINESS	DIRECT LOSSES UNPAID	DIRECT DEFENSE & COST CONTAINMENT EXPENSE PAID	DIRECT DEFENSE & COST CONTAINMENT EXPENSE INCURRED	DIRECT DEFENSE & COST CONTAINMENT EXPENSE UNPAID	COMMISSIONS AND BROKERAGE EXPENSES	TAXES, LICENSES, AND FEES
01	Fire	163,909,131	2,827,222	2,059,306	5,580,696	44,626,821	11,730,592
02.1	Allied Lines	170,851,608	11,952,277	6,830,820	9,497,060	55,793,617	8,673,426
02.2	Multiple Peril Crop	15,176,244	(318)	(63,303)	57,233	2,474,573	(49,135)
02.3	Federal Flood	12,475,108	1,700,302	1,559,008	46,672	45,307,154	9,175,931
03	Farmowners Multiple Peril	2,761,179	300,574	352,694	664,931	2,043,173	559,537
04	Homeowners Multiple Peril	274,631,309	18,974,673	18,341,153	35,578,512	224,051,358	75,971,368
05.1	Commercial Multiple Peril (Non-Liability)	119,246,946	6,630,686	1,049,800	17,134,982	60,212,809	13,207,500
05.2	Commercial Multiple Peril (Liability)	226,000,396	28,517,699	34,309,796	93,543,198	26,120,285	4,831,862
06	Mortgage Guaranty	109,023,347	429,041	267,650	501,101	-	2,546,125
08	Ocean Marine	329,364,749	18,641,266	21,100,225	37,945,591	33,546,204	6,355,978
09	Inland Marine	68,068,385	3,138,486	3,526,001	5,060,067	69,617,578	12,294,273
10	Financial Guaranty	6,755,415	-	(37,000)	67,598	-	909,094
11	Medical Professional Liability	206,830,009	27,572,926	13,080,825	112,448,136	7,849,641	2,896,656
12	Earthquake	602,960	5,284	(5,297)	22,663	790,923	133,368
13	Group Accident and Health	22,526,789	119,729	111,220	222,101	4,849,639	1,156,879
14	Credit Accident and Health	426,723	-	(1,579)	4,679	347,901	14,902
15.1	Collectively Renewable Accident and Health	334	-	-	20	20	40
15.2	Non-Cancelable Accident and Health	-	-	-	-	-	33
15.3	Guaranteed Renewable Accident and Health	21,267,806	2,780	38,255	164,797	1,178,473	347,057
15.4	Non-Renewable Accident and Health	2,521,586	5,125	(1,570)	40,344	443,371	107,554
15.5	Other Accident Only	174,819	-	2,286	6,285	73,472	10,944
15.6	Medicare Title XVIII	-	-	-	-	-	-
15.7	All Other Accident and Health	457,214	-	(3,710)	14,873	271,135	50,074
15.8	Federal Employees Health Benefits Program	-	-	-	-	-	33
16	Workers' Compensation	2,200,084,997	57,189,134	67,849,348	214,883,932	70,151,106	54,188,044
17.1	Other Liability-Occurrence	1,409,263,827	89,788,949	101,363,713	357,808,257	90,365,271	12,640,004
17.2	Other Liability-Claims-Made	344,819,945	24,369,907	31,470,796	85,718,468	29,072,915	4,135,118
17.3	Excess Workers' Compensation	224,127,193	2,901,838	2,425,440	12,512,685	6,367,378	1,315,305
18	Products Liability	268,814,082	16,987,957	13,066,813	96,121,821	6,977,996	1,132,389
19.1	Private Passenger Auto No-Fault	1,416,153	47,990	44,022	114,460	92,048	908
19.2	Private Passenger Auto Liability	1,328,227,015	95,998,097	107,525,896	220,922,023	185,928,385	65,591,768
19.3	Commercial Auto No-Fault	271,207	3,038	5,047	40,418	(8,363)	(7,418)
19.4	Commercial Auto Liability	621,178,928	50,795,019	49,904,310	81,857,728	69,253,531	16,237,076
21.1	Private Passenger Auto Physical Damage	53,958,300	6,175,974	6,521,595	6,060,938	111,330,055	39,535,107
21.2	Commercial Auto Physical Damage	16,530,268	2,138,011	2,578,836	3,333,734	15,111,862	3,022,620
22	Aircraft (All Perils)	53,459,695	3,785,864	1,772,167	7,637,948	8,992,680	2,292,682
23	Fidelity	11,349,033	346,209	532,400	2,050,187	1,644,862	508,089
24	Surety	25,663,202	4,648,562	(1,388,620)	332,846	25,944,666	5,065,823
26	Burglary and Theft	1,056,219	(146,262)	(471,345)	371,762	616,993	132,784
27	Boiler and Machinery	4,864,261	238,516	(92,019)	305,153	1,838,057	553,273
28	Credit	2,843,890	324,336	185,587	97,764	12,377,386	877,223
30	Warranty	868,356	41,428	2,542	3,070	238,362	356,731
34	Aggregate Write-Ins, Other Lines of Business	131,746,192	4,426,895	4,883,419	4,697,063	4,432,726	1,542,170
35	TOTALS	8,453,614,805	480,879,204	490,696,513	1,413,471,805	1,220,326,079	360,043,816

DATA SOURCE: 2013 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, 2013

Life Insurance

Direct Premiums and Annuity Considerations	ORDINARY	CREDIT LIFE	GROUP	INDUSTRIAL	TOTAL
1. Life Insurance	1,692,021,939	45,186,957	417,892,296	7,451,252	2,162,552,434
2. Annuity Considerations	2,863,529,868	-	578,309,978	-	3,441,839,847
3. Deposit-Type Contract Funds	33,887,215	-	199,204,650	-	233,091,866
4. Other Considerations	124,432,766	-	510,936,625	-	635,369,391
TOTALS	4,713,871,784	45,186,957	1,706,343,543	7,451,252	6,472,853,534
Direct Dividends to Life Policyholders					
6.1 Paid in Cash or Left on Deposit	24,789,098	-	521,012	5,821	25,315,931
6.2 Applied to Pay Renewal Premiums	23,651,194	-	487,663	6	24,138,863
6.3 Applied to Provide Paid-Up Additions or Shorten the Endowment or Premium-Paying Agent	129,688,614	-	24	539,078	130,227,715
6.4 Other	217,072	-	-	-	217,072
6.5 TOTAL LIFE	178,345,977	-	1,008,698	544,905	179,899,578
Direct Dividends to Annuity Holders					
7.1 Paid in Cash or Left on Deposit	5,792,620	-	73,361	-	5,865,981
7.2 Applies to Provide Paid-Up Annuities	313,525	-	-	-	313,525
7.3 Other	6,958,690	-	982,160	-	7,940,850
7.4 TOTAL ANNUITIES	13,064,835	-	1,055,521	-	14,120,356
8. GRAND TOTALS	191,410,812	-	2,064,220	544,905	194,019,936
Direct Claims and Benefits Paid					
9. Death Benefits	842,745,078	12,156,154	352,931,116	14,150,712	1,221,983,061
10. Matured Endowments	3,705,473	-	65,492	906,796	4,677,761
11. Annuity Benefits	594,308,093	-	225,720,383	-	820,028,474
12. Surrender Values and Withdrawals for Life Contracts	2,244,919,604	-	1,378,108,796	1,594,571	3,624,622,968
13. Aggregate Write-Ins for Miscellaneous Direct Claims and Benefits Paid	8,464,179	-	864,935	948	9,330,062
14. All Other Benefits, Except Accident and Health	16,515,051	49,413	1,881,850	69,854	18,516,166
15. TOTALS	3,710,657,476	12,205,567	1,959,572,571	16,722,880	5,699,158,490

DATA SOURCE: 2013 Life and Health Annual Statements (State Page) for all companies writing business in Louisiana.

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

APPENDIX C – LIFE, ACCIDENT AND HEALTH INSURANCE

LIFE INSURERS EXHIBIT OF PREMIUMS AND BENEFITS
BUSINESS IN LOUISIANA AS OF DECEMBER 31, 2013

Life Insurance

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	ORDINARY		CREDIT LIFE		GROUP		INDUSTRIAL		TOTAL	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
16. Unpaid December 31, Prior Year	1,220	148,371,140	104	1,296,948	1,756	45,661,127	3,659	2,805,483	6,739	198,134,701
17. Incurred During Current Year	49,228	824,434,302	3,536	12,562,316	15,331	359,236,502	32,526	19,222,021	100,621	1,215,455,140
Settled During Current Year										
18.1 By Payment in Full	41,465	841,852,794	3,568	11,449,389	15,221	358,208,544	32,383	19,514,154	92,637	1,231,024,881
18.2 By Payment on Compromised Claims	33	436,721	-	-	3	56,000	-	-	36	492,721
18.3 TOTALS PAID	41,498	842,289,515	3,568	11,449,389	15,224	358,264,544	32,383	19,514,154	92,673	1,231,517,602
18.4 Reduction by Compromise	9	1,080,636	-	(7,218)	2	52,000	-	-	11	1,125,418
18.5 Amount Rejected	67	3,898,355	-	44,436	40	512,426	-	-	107	4,455,217
18.6 Total Settlements	41,574	847,268,506	3,568	11,486,607	15,266	358,828,970	32,383	19,514,154	92,791	1,237,098,237
19. Unpaid December 31, Current Year	8,874	125,536,945	72	2,372,658	1,821	46,068,658	3,802	2,513,348	14,569	176,491,613
POLICY EXHIBIT										
20. In Force December 31, Prior Year	2,670,033	236,617,473,258	632,857	2,762,899,815	94,394	133,177,414,561	1,092,773	605,463,204	4,490,057	373,163,250,837
21. Issued During Year	273,427	24,157,828,198	596,897	2,100,515,028	28,723	14,193,069,241	333	1,036,639	899,380	40,452,449,108
22. Other Changes to In Force (Net)	(259,048)	(17,412,988,508)	(594,008)	(2,096,840,322)	(14,251)	(6,546,154,438)	(41,210)	(23,415,378)	(908,517)	(26,079,398,646)
23. In Force December 31, Current Year	2,684,412	243,362,312,946	635,746	2,766,574,520	108,866	140,824,329,364	1,051,896	583,084,465	4,480,920	387,536,301,293

Accident and Health Insurance*

	DIRECT PREMIUMS	DIRECT PREMIUM EARNED	DIVIDENDS ON DIRECT BUSINESS	DIRECT LOSSES PAID	DIRECT LOSSES INCURRED
24. Group Policies	1,180,295,687	1,184,702,073	277,711	860,489,926	883,599,974
24.1 Federal Employees Health Benefits Program	4,093,514	4,355,413	-	4,175,959	4,383,036
24.2 Credit (Group and Individual)	36,372,416	34,930,101	-	10,636,743	9,889,544
24.3 Collectively Renewable Policies	405,425	406,027	-	1,112,552	341,434
24.4 Medicare Title XVIII	351,448,511	360,754,264	-	269,971,984	271,487,995
Other Individual Policies					
25.1 Non-cancellable	76,012,751	75,969,885	3,603,468	67,942,100	79,494,017
25.2 Guaranteed Renewable	426,407,987	424,784,829	590,199	234,436,965	257,577,570
25.3 Non-renewable for Stated Reasons Only	24,124,710	24,474,585	101,616	15,360,714	14,028,722
25.4 Other Accident Only	1,303,034	1,305,593	-	254,111	(6,656)
25.5 All Other	17,227,577	18,647,938	4,904	10,704,382	10,974,678
25.6 TOTALS	545,076,062	545,182,840	4,300,187	328,698,268	362,068,331
26. Total	2,117,691,613	2,130,330,713	4,577,898	1,475,085,439	1,531,770,315

*This report excludes all companies reporting on the Health Annual Statement Bland, which were included in prior years' Annual Reports.

DATA SOURCE: 2013 Life and Health Annual Statements (State Page) for all companies writing business in Louisiana (excluding Health Maintenance Organizations).

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

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APPENDIX D

AGGREGATE HEALTH PREMIUM AND ENROLLMENT (HEALTH STATEMENT ONLY)

**HEALTH INSURANCE EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION
IN LOUISIANA AS OF DECEMBER 31, 2013**

	STATE CODE	TOTAL	INDIVIDUAL COMPREHENSIVE	GROUP COMPREHENSIVE	MEDICARE SUPPLEMENT
Total Members at End of:					
1.	Prior Year	2,452,196	186,529	486,427	50,427
2.	First Quarter	2,225,944	185,844	483,046	50,296
3.	Second Quarter	2,198,474	186,168	467,074	50,381
4.	Third Quarter	2,205,294	187,141	470,793	50,570
5.	Current Year	2,221,862	188,133	475,874	50,593
6.	Current Year Member Months	26,502,939	2,224,764	5,684,947	603,653
Total Member Ambulatory Encounters for Year:					
7.	Physician	13,510,014	1,167,814	4,303,395	1,089,607
8.	Non-physician	6,824,630	604,232	1,862,123	272,945
9.	Total	20,334,644	1,772,046	6,165,518	1,362,552
10.	Hospital Patient Days Incurred	1,055,201	22,542	118,922	97,496
11.	Number of Inpatient Admissions	169,372	5,973	26,884	9,890
12.	Health Premiums Written	6,858,128,639	493,960,339	2,162,034,475	119,718,067
13.	Life Premiums Direct	267,003	-	-	-
14.	Property/Casualty Premiums Written	-	-	-	-
15.	Health Premiums Earned	6,858,838,925	494,463,188	2,159,476,638	119,851,163
16.	Property/Casualty Premiums Earned	-	-	-	-
17.	Amount Paid for Provision of Health Care Services	5,765,671,159	388,125,155	1,782,684,939	89,307,427
18.	Amount Incurred for Provision of Health Care Services	5,748,810,259	383,621,394	1,766,312,143	90,416,298

DATA SOURCE: 2013 Health Annual Statement, Exhibit of Premiums, Enrollment and Utilization (by state), for all companies writing business in Louisiana.

CAUTION: The information contained on this page is unaudited and may contain inadvertent errors.

**HEALTH INSURANCE EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION
IN LOUISIANA AS OF DECEMBER 31, 2013**

	VISION ONLY	DENTAL ONLY	FEDERAL EMPLOYEES HEALTH BENEFITS PLAN	TITLE XVIII MEDICARE	TITLE XIX MEDICAID	OTHER
Total Members at End of:						
Prior Year	125,972	146,215	72,989	162,254	736,338	485,045
First Quarter	128,817	151,062	73,318	171,575	718,840	263,146
Second Quarter	135,047	160,481	73,129	172,808	693,072	260,314
Third Quarter	140,049	162,233	72,856	174,547	691,762	255,343
Current Year	142,158	162,173	72,510	177,494	698,315	254,612
Current Year Member Months	1,638,694	1,905,552	875,316	2,082,560	8,401,573	3,085,880
Total Member Ambulatory Encounters for Year:						
Physician	-	-	933,437	3,313,184	2,702,371	206
Non-physician	38,223	12	493,718	2,171,762	1,381,049	566
Total	38,223	12	1,427,155	5,484,946	4,083,420	772
Hospital Patient Days Incurred	-	-	52,009	396,648	367,522	62
Number of Inpatient Admissions	-	-	8,681	50,158	67,750	36
Health Premiums Written	10,221,889	44,659,494	365,397,519	2,112,666,120	1,341,755,270	207,715,466
Life Premiums Direct	-	-	-	-	-	267,003
Property/Casualty Premiums Written	-	-	-	-	-	-
Health Premiums Earned	10,219,551	44,673,873	370,827,447	2,115,233,628	1,341,755,270	202,338,167
Property/Casualty Premiums Earned	-	-	-	-	-	-
Amount Paid for Provision of Health Care Services	7,886,655	41,730,273	343,309,193	1,702,467,750	1,262,617,247	147,542,520
Amount Incurred for Provision of Health Care Services	7,965,905	40,622,934	344,758,709	1,698,645,324	1,253,611,838	162,855,713

DATA SOURCE: 2013 Health Annual Statement, Exhibit of Premiums, Enrollment and Utilization (by state), for all companies writing business in Louisiana.

CAUTION: The information contained on this page is unaudited and may contain inadvertent errors.

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APPENDIX E

HEALTH MAINTENANCE ORGANIZATIONS

APPENDIX E – HEALTH MAINTENANCE ORGANIZATIONS

**HEALTH MAINTENANCE ORGANIZATIONS EXHIBIT OF PREMIUMS AND LOSSES
BUSINESS IN LOUISIANA AS OF DECEMBER 31, 2013**

NAIC#	COMPANY NAME	TOTAL MEMBERS	DIRECT PREMIUM WRITTEN	MARKET SHARE	CUMULATIVE MARKET SHARE	DIRECT PREMIUM EARNED	DIRECT LOSSES INCURRED	LOSS RATIO
95642	Humana Health Benefit Plan of LA, Inc.	213,062	1,467,346,240	32.95%	32.95%	1,465,264,645	1,147,400,093	78.31%
13607	Peoples Health, Inc.	55,705	699,689,688	15.71%	48.66%	699,689,688	593,135,126	84.77%
14143	AmeriHealth Caritas LA, Inc.	144,687	491,054,965	11.03%	59.68%	491,054,965	421,866,062	85.91%
95643	HMO LA, Inc.	95,264	472,400,208	10.61%	70.29%	472,365,769	365,328,874	77.34%
13970	Louisiana Healthcare Connections, Inc.	151,657	462,446,997	10.38%	80.67%	462,446,997	390,913,469	84.53%
14064	Amerigroup LA, Inc.	128,762	411,111,925	9.23%	89.90%	411,111,925	355,319,724	86.43%
95584	Vantage Health Plan, Inc.	24,709	185,493,473	4.16%	94.07%	185,493,473	153,456,875	82.73%
95173	Coventry Health Care of LA, Inc.	44,419	173,618,393	3.90%	97.97%	173,618,393	140,950,252	81.18%
12194	Wellcare of LA, Inc.	8,011	85,349,783	1.92%	99.88%	87,349,783	63,161,984	72.31%
95833	UnitedHealthcare of LA, Inc.	958	5,162,852	0.12%	100.00%	5,211,270	2,989,076	57.36%
15131	Louisiana Health Cooperative, Inc.	-	-	0.00%	100.00%	-	-	0.00%
11 HMOs	TOTAL	867,234	4,453,674,524	100.00%		4,453,606,908	3,634,521,535	81.61%

DATA SOURCE: 2013 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

APPENDIX F - TITLE INSURANCE

TITLE INSURANCE EXHIBIT OF PREMIUMS AND LOSSES
BUSINESS IN LOUISIANA AS OF DECEMBER 31, 2013

NAIC#	COMPANY NAME	DOMICILE	DIRECT PREMIUM WRITTEN			OTHER INCOME	DIRECT PREMIUM EARNED	DIRECT LOSSES PAID	DIRECT LOSSES INCURRED	DIRECT LOSSES UNPAID
			DIRECT OPERATIONS	NON-AFFILIATED AGENCIES	AFFILIATED AGENCIES					
51411	American Guar. Title Insurance, Co.	OK	130,315	643,974	-	(4,000)	706,583	(1,317)	(11,329)	1,326
50229	Chicago Title Insurance, Co.	NE	41,116	11,020,795	5,799,024	365,380	16,763,678	235,037	364,127	339,759
50083	Commonwealth Land Title Ins., Co.	NE	4,779	8,542,637	-	11,223	8,703,852	3,995,525	3,407,836	3,279,080
51632	EnTitle Insurance, Co.	OH	3,929	-	-	2,830	4,215	-	-	-
51586	Fidelity National Title Insurance, Co.	CA	493,563	21,143,540	900,045	284,930	22,360,881	566,327	725,128	958,816
50814	First American Title Insurance, Co.	NE	6,845,419	3,693,761	1,405,280	2,630,447	11,517,419	3,223,758	3,274,800	1,398,020
51527	First Amer. Transportation Title Ins.	LA	-	45,884,852	-	4,922	44,279,345	471,862	615,321	161,200
50369	Investors Title Insuranc, Co.	NC	-	1,108,678	-	13,100	1,035,532	2,917	9,964	15,222
51020	National Title Insuranc of NY, Inc.	NY	-	-	954,553	-	907,094	115	10,000	9,886
50520	Old Republic National Title Ins., Co.	MN	282,791	9,675,155	-	608,361	10,263,363	209,113	270,000	333,984
50784	Security Title Guarantee Corp. Baltimore	MD	-	2,985,247	-	71,860	2,903,772	52,045	79,893	520,929
50121	Stewart Title Guar., Co.	TX	3,840,211	14,702,815	1,050,248	312,934	19,022,145	1,583,325	1,331,861	1,105,203
51152	WFG National Title Insuranc, Co.	SC	-	12,414,696	137,420	335,131	11,644,558	11,220	11,220	-
13 Companies		TOTAL	11,642,123	131,816,140	10,246,570	4,637,118	150,112,437	10,349,927	10,088,821	8,123,425

DATA SOURCE: 2013 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, 2013

NAIC#	COMPANY NAME	DOMICILE	DIRECT BUSINESS ONLY				
			LIFE CONTRACTS		ACCIDENT AND HEALTH PREMIUMS	OTHER CONSIDERATIONS	DEPOSIT-TYPE CONTRACTS
			LIFE INSURANCE PREMIUMS	ANNUITY CONSIDERATIONS			
57223	Baptist Life Association	NY	3,995	-	-	-	-
56030	Catholic Financial Life	WI	68,549	6,551	413	-	-
57770	Catholic Holy Family Society	IL	160,898	-	-	-	-
57347	Catholic Life Insurance	TX	421,614	1,464,517	-	-	1,040
57487	Catholic Order of Foresters	IL	42,938	6,050	5,961	-	-
57991	Everence Association, Inc.	IN	1,227	-	5,315	-	-
56685	GBU Financial Life	PA	1,868	-	-	-	-
56154	Gleaner Life Insurance Society	MI	2,994	-	-	-	28
56017	Grand Lodge Benevolent Knights of A	LA	2,169	-	-	-	-
58068	Independent Order of Foresters US Br.	NY	5,971,907	1,782	45,345	-	1,912
58033	Knights of Columbus	CT	16,905,099	-	1,025,147	-	11,743,303
57835	Knights of Peter Claver	AL	524,783	-	-	-	-
56758	Loyal Christian Benefit Association	PA	1,393	-	-	-	-
57541	Modern Woodmen of America	IL	4,657,684	6,652,411	61	-	1,387
57568	National Catholic Soc. of Foresters	IL	448	-	-	-	-
56073	National Mutual Benefit	WI	3,045	-	-	-	124
56383	Order of United Commercial Travelers	OH	31,391	-	3,861,001	-	-
58009	Police & Firemens Insurance Assn.	IN	679,453	310,658	1,126,179	-	13,511
57622	Polish National Alliance US of Na.	IL	1,994	-	-	-	-
57657	Royal Neighbors of America	IL	12,886	-	27,681	-	-
57142	Sons of Norway	MN	1,246	411	-	-	-
58181	Supreme Council the Royal Arcanum	MA	19,003	-	825	-	-
56014	Thrivent Financial for Lutherans	WI	3,402,300	8,984,552	649,760	-	50,000
56006	Travelers Protective Assn. of America	MO	-	-	1,135	-	-
56456	United States Letter Carriers Mut. Ben.	TN	38,899	78,749	33,917	-	-
56413	United Transportation Union Ins. Assn.	OH	118,669	10,564	109,778	-	-
58017	Western Fraternal Life Association	IA	18,391	-	-	-	682
57010	William Penn Association	PA	1,663	-	-	-	119
56170	Womans Life Insurance Society	MI	8,075	-	-	-	243
56499	Woodmen World Assurance Life Assn.	CO	5,449	431	2,830,930	-	-
57320	Woodmen World Life Insurance Soc.	NE	23,266,660	18,407,272	632,072	-	4,631,821
31 COMPANIES		TOTAL	56,376,690	35,923,948	10,355,520	-	16,444,170

DATA SOURCE: 2013 Fraternal Annual Statement, Schedule T for all companies writing business in Louisiana.

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

APPENDIX H

GROUP SELF-INSURANCE FUNDS

APPENDIX H – GROUP SELF-INSURANCE FUNDS

**STATE OF LOUISIANA
GROUP SELF-INSURANCE PREMIUM BUSINESS
WRITTEN CALENDAR YEAR 2013**

FUND NAME	PREMIUM WRITTEN
LAC Self-Insured Fund (Cotton) ^(e)	\$7,005,111
Louisiana Association of Clerks of Court Risk Management Agency ^(b)	487,382
Louisiana Automobile Dealers Association Self-Insurance Fund ^(e)	8,854,281
Louisiana Commerce & Trade Association Self-Insurance Fund ^(e)	32,383,776
Louisiana Construction & Industry Self Insurers Fund ^(e)	22,466,653
Louisiana Health Care Self-Insurance Fund ^(e)	8,428,332
Louisiana Homebuilders Association Self-Insurance Fund ^(a)	16,963,495
Louisiana Hospital Association Workers' Compensation Self-Insurance Fund ^(e)	5,705,978
Louisiana Housing Council Authorities Group Self-Insurance Fund ^(a)	12,245,496
Louisiana Loggers Self-Insured Fund ^(e)	3,201,390
Louisiana Municipal Risk Management Agency ^(e)	31,291,382
Louisiana Public Schools Risk Management Agency ^(d)	4,696,762
Louisiana Restaurant Association Self-Insurance Fund ^(e)	16,586,757
Louisiana Rural Parish Insurance Cooperative ^(e)	3,882,160
Louisiana Safety Association of Timbermen Self-Insurance Fund ^(e)	12,877,086
Louisiana Schools Self-Insured Group ^(b)	2,853,189
Police Jury Association of Louisiana ^(e)	19,453,247
Property Casualty Alliance of Louisiana ^(b)	2,323,910
TOTAL	\$211,706,387

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

^(a)As of March 31, 2013

^(b)As of June 30, 2013

^(c)As of July 31, 2013

^(d)As of October 1, 2013

^(e)As of December 31, 2013

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

APPENDIX I

REVENUE REPORT

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

APPENDIX I – REVENUE REPORT AS REQUIRED BY LA. R.S. 49:308.6(C)

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

<i>Description</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>	<i>Fiscal Year 2011-2012</i>
Self-Generated Fees	\$23,180,236	\$23,468,430	\$21,205,139
Assessments:			
<i>Health Insurance Portability and Accountability Act Assessment, Interest</i>	869,781	666,483	726,391
<i>Louisiana Insurance Rating Assessment</i>	83,133,777	78,724,584	78,185,019
<i>Insurance Fraud Investigation Assessment</i>	3,892,958	3,831,854	3,839,004
Total Assessments	\$87,896,516	\$83,222,921	\$82,750,414
Federal Funds	909,702	790,683	1,982,934
Miscellaneous/Other Revenue:			
<i>Louisiana Automobile Theft and Insurance Fraud Prevention Authority (Gifts, Grants, Donations), Interest</i>	36,957	30,268	19,341
<i>Income Not Available</i>	676,120	573,983	1,205,607
<i>Premium Taxes</i>	445,508,675	421,874,098	365,257,441
Total Other Major State Revenue	\$446,221,752	\$422,478,349	\$366,482,389
Interagency Transfers	145,702	0	0
TOTAL COLLECTIONS	\$558,353,908	\$529,960,383	\$472,420,876

APPENDIX I – REVENUE REPORT AS REQUIRED BY LA. R.S. 49:308.6(C)

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

<i>Description</i>	<i>Revised Statute</i>	<i>Fee Amount</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>	<i>Fiscal Year 2011-2012</i>
Certificate of Authority, Initial Certificate	22:821(B)(1), 22:269(B)(1), 22:214(B)(1)	2,500/500/25	121,375	109,100	70,357
Initial Examination of Insurance Companies	22:269(B)(4)	1,000	1,792	1,802	2,287
Securities Fees-Registration of Securities	22:821(B)(6)	200	338	338	338
Filing a Charter, Other Documents and Amendments Thereto	22:821(B)(8), 22:269(B)(2)	25/5	3,120	6,684	15,591
Certificate of Self-Insured Workers Compensation Insurance Program, Initial Certification	22:821(B)(12)	1,500	-	-	-
Review of Self-Insured Workers Compensation Insurance Program, Annual Review Fee	22:821(B)(13)	300	-	-	-
Approval Fee of Foreign or Alien Surplus Lines Insurers	22:821(B)(17)	1,050	191,100	182,700	159,550
Third Party Administrators-Licensing Fee	22:821(B)(15)(a)	500	15,000	15,150	13,800
Third Party Administrators-Annual Report Filing Fee	22:821(B)(15)(b)	300	107,575	105,950	95,950
Acquisition of Control or Merger with a Domestic Insurer-Statement Fee	22:821(B)(16)	2,500	5,000	10,000	10,025
Risk Purchasing Group-Registration Fee	22:821(B)(18)(a)	100	5,200	3,300	5,415
Risk Purchasing Group-Annual Renewal	22:821(B)(18)(b)	50	15,875	16,525	18,325
Viatical Settlement Broker-First Time Applicant	22:821(B)(19)(a)	50	-	100	-
Viatical Settlement Broker-Annual Renewal	22:821(B)(19)(a)	50	850	800	250
Viatical Settlement Investment Agent-First Time Applicant	22:821(B)(19)(b)	50	50	-	50
Viatical Settlement Investment Agent-Annual Renewal	22:821(B)(19)(b)	50	50	50	50
Viatical Settlement Provider-First Time Applicant	22:821(B)(19)(c)	1,000	1,000	50	1,000
Viatical Settlement Contracts, Disclosure Notices and Advertising Material	22:821(B)(20)	100	-	-	-
Vehicle Mechanical Breakdown Insurer	22:362(A)	1,500	71,590	69,150	51,600
Medical Necessity Review Organization-Licensing Fee	22:821(B)(28)(a)	1,500	10,500	13,500	7,500
Medical Necessity Review Organization-Annual Report Filing Fee	22:821(B)(28)(b)	500	34,500	30,000	27,500
Property Residual Value Insurer-Initial License	22:382	1,500	-	-	-
Property Residual Value Insurer-Renewal Fee	22:382	1,500	3,000	-	3,000
Dental Referral Plan-Initial License	22:1166	250	-	250	250
Dental Referral Plan-Renewal Fee	22:1166	250	-	250	-

APPENDIX I – REVENUE REPORT AS REQUIRED BY LA. R.S. 49:308.6(C)

**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 2013-2014</i>	<i>Fiscal Year 2012-2013</i>	<i>Fiscal Year 2011-2012</i>
Producer License-First Time Applicant Includes the Following: Each Additional Line of Authority for Limited Lines only \$35 Specialty Limited Lines Credit Insurance Specialty Limited Lines Motor Vehicle Title Insurance	22:821(B)(3)(a-d) 22:1549(B)(4) & (5) 22:1550(B)(1)(d) & (B)(2)	75 + 35 Each Additional Line 1,000/250+20 ea. emp. 1,000/250+20 ea. emp.	2,191,239	1,935,556	1,697,202
Producer License-Additional or Renewal Company Appointment (Yearly)	22:821(B)(3) (a-d), 22:1549(D), 22:1550(D)	20	11,595,315	10,907,190	11,324,189
Producer License-Renewal Fee (Every Two Years) Includes the following: Producer Renewal Fee Specialty Limited Lines Credit Insurance Specialty Limited Lines Motor Vehicle Title Insurance	22:821(B)(3)(a-d) 22:1549(C) 22:1550(C)	50 500/125+10 each emp. 500/125+10 each emp.	3,039,550	3,328,532	2,080,260
Producer License-Surplus Line Broker-First Time Applicant	22:821(B)(3)(e)	250	84,650	66,275	6,975
Producer License-Surplus Line Broker-Renewal Fee	22:821(B)(3)(e)	350	255,100	376,377	400
Producer License-Failure to File Producer License Timely (Late Fee)	22:821(B)(3)(f), 22:1547(C)(2)	50	312,125	274,110	4,720
Producer License-Continuing Education Provider/Course Application Fee	22:821(B)(29)(a-b)	250/25	52,555	58,890	57,255
Producer License-Duplicate Producer License/Name Change	22:821(B)(3)(g)	15	6,190	10,835	(34)
Producer License-Invalid/Bad Address	22:1547(G)	50	59,300	54,700	46,500
Securities Fees-Registration of Dealer	22:821(B)(6)	50	-	-	-
Securities Fees-Registration of Salesman	22:821(B)(6)	10	-	-	-
Managing General Agent-Initial Registration	22:821(B)(14)(a)	300	2,100	4,500	20,350
Managing General Agent-Annual Registration	22:821(B)(14)(b)	300	10,800	12,300	8,100
Managing General Agent-Insurer's Initial Notice of Appointment	22:821(B)(14)(c)	300	300	2,700	1,800
Managing General Agent-Insurer's Annual Notice of Appointment	22:821(B)(14)(d)	300	11,775	12,000	7,500
Company Filing of Life, Health and Accident Insurance Policy Forms-Per Product	22:821(B)(11)(a)	100	71,200	66,400	70,850
Company Filing of Property and Casualty Insurance Policy Forms-Per Product	22:821(B)(10)(a)	100	70,675	96,435	119,075

APPENDIX I – REVENUE REPORT AS REQUIRED BY LA. R.S. 49:308.6(C)

**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 2013-2014</i>	<i>Fiscal Year 2012-2013</i>	<i>Fiscal Year 2011-2012</i>
Company Filing to Adopt a Reference or Item Filing of Advisory Organizations Form Reference Filing	22:821(B)(10)(b)	20	9,119	5,385	8,640
Company Filing of Property and Casualty Insurance Policy Endorsements, Amendements, or Riders	22:821(B)(10)(c)	25	82,421	81,270	89,435
Impounded Auto Sale	14:98(D)(2)(a)(d), 14:98(E)(2)(a)(d)		-	-	2,197
Witness Fee	22:2198(B)(3), 13:3661, 13:3671		-	-	-
Company Filing of Self-Insured Health and Accident Insurance Policy Form-Per Product	22:821(B)(9)	100	-	-	1,100
Company Filing of Life, Health and Accident Insurance Policy Forms or Health Maintenance Organization Submission-Per Product	22:821(B)(11)(a)	100	67,300	61,985	67,127
Company Filing of Medicare Supplemental Insurance Premium Rates, Rate Schedule and Supporting Documents-Per Type	22:821(B)(11)(b)	100	15,500	16,700	14,900
Company Filing of Medicare Supplement Insurance Advertisements, Per Submission	22:821(B)(11)(c)	100	21,700	17,000	18,101
Health Care Conference			47,250	53,550	46,845
Administrative Supervision Fee	22:737		-	-	-
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)		58,331	35,170	20,561
Financial Examination-State Examiner	22:976(B), 22:308, 22:705, 22:1981, 22:1982, 22:1985, 22:1986, 22:2064, 22:2094, 22:370, 22:251, 22:256, 22:484(G), 22:462, 23:1197(C), 33:1348(B), 33:1350.2, 33:1358, 42:851(D) (Part XXVIII of Title22)		14,243	780	10,680
Market Conduct-Professional Service Contract	22:308, 22:705, 22:1985, 22:976(B)		-	-	-
Market Conduct-State Examiner	22:308, 22:705, 22:1985, 22:976(B)		50	20,968	43,860
Actuarial Services-Professional Service Contract	22:308, 22:705, 22:1985, 22:976(B)		-	-	-
Actuarial Services-State Examiner	22:308, 22:705, 22:1985, 22:976(B)		-	-	-
Surplus Lines/Insurance Premium Tax-Professional Service Contract	22:308, 22:705, 22:1985, 22:976(B)		-	-	-

APPENDIX I – REVENUE REPORT AS REQUIRED BY LA. R.S. 49:308.6(C)

**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 2013-2014</i>	<i>Fiscal Year 2012-2013</i>	<i>Fiscal Year 2011-2012</i>
Surplus Lines/Insurance Premium Tax-State Examiner	22:308, 22:705, 22:1985, 22:976(B)		-	16,320	19,030
Annual Financial Regulation Fee/ Annual Statement (Health Maintenance Organization)	22:821(B)(2), 22:269(B)(3)(a)	1,000/250	1,381,564	1,392,910	1,378,750
Fines/Stipulations	22:13, 22:14, 22:16, 22:18, 22:33, 22:35, 22:68(E), 22:88(M)(1)(2)(3), 22:184, 22:216, 22:250, 22:252, 22:257, 22:269, 22:271, 22:316, 22:348, 22:371, 22:391, 22:440, 22:444: 22:456, 22:457, 22:536, 22:591, 22:597, 22:709, 22:714, 22:796, 22:833, 22:846, 22:855, 22:987, 22:1011, 22:1071, 22:1143, 22:1167, 22:1191, 22:1211, 22:1283, 22:1292, 22:1460, 22:1529, 22:1546, 22:1547, 22:1549, 22:1550, 22:1552, 22:1554, 22:1556, 22:1557, 22:1558, 22:1559, 22:1562, 22:1585, 22:1623, 22:1625, 22:1627, 22:1651, 22:1654, 22:1671, 22:1672, 22:1699, 22:1700, 22:1731, 22:1770, 22:1837, 22:1860, 22:1877, 22,1892, 22:1924, 22:1925, 22:1929, 22:1946, 22:1964, 22:1969, 22:1970, 22:1994, 22:1995, 22:2007, 22:2036, 22:2060, 22:2069, 22:2090, 22:2198, 22:2245, 22:2394, 22:2399		1,196,009	2,113,478	2,782,335
Lawsuit Fees	9:2800.7(H)	5	5	45	22,472
Annual Premium Tax Fee (\$90,000)	22:794, 22:821(D)	90,000	90,000	90,000	90,000
Copies, Certified Copies and Other Fees (Miscellaneous)	LA Administrative Code Title 4 Chapter 3:30; 22:821(B)(4), 22:269(B)(5)	0.25/3	1,555	1,235	1,440
Professional Employer Organization New License	22:1748	500	11,400	10,900	16,800
Professional Employer Organization Renewal	22:1748	300	33,800	34,200	25,700
Limited Licensing for Motor Vehicle Rental Company-Initial License	22:1763(B)	500/100	2,000	-	-
Limited Licensing for Motor Vehicle Rental Company-Renewal	22:1763(B)	250/50	550	2,000	-
Service of Process	22:821(B)(22)	25	3,130	3,025	3,340
Claims Adjuster License and Registration-Business Entity-Initial License	22:821(B)(23)(a)	55	13,310	121,395	59,015
Claims Adjuster License and Registration-Business Entity-Renewal	22:821(B)(23)(a)	50	1,850	8,100	750

APPENDIX I – REVENUE REPORT AS REQUIRED BY LA. R.S. 49:308.6(C)

**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 2013-2014</i>	<i>Fiscal Year 2012-2013</i>	<i>Fiscal Year 2011-2012</i>
Claims Adjuster License and Registration-Resident/Non-Resident-Initial License	22:821(B)(23)(b)	55	549,605	551,420	417,831
Claims Adjuster License and Registration-Resident/Non-Resident-Renewal	22:821(B)(23)(b)	50	1,176,450	916,760	66,935
Claims Adjuster License and Registration-Catastrophe & Emergency Claims Adjuster	22:821(B)(23)(c)	25	11,100	71,625	47,065
Public Adjuster License-Business Entity-Initial License	22:821(B)(24)(a)	55	625	1,265	440
Public Adjuster License-Business Entity-Renewal	22:821(B)(24)(a)	50	150	1,250	-
Public Adjuster License-Resident/Non-Resident-Initial License	22:821(B)(24)(b)	55	1,650	3,410	550
Public Adjuster License-Resident/Non-Resident-Renewal	22:821(B)(24)(b)	50	7,150	4,800	600
Risk Retention Group-Initial Registration	22:821(B)(21)	1,000	5,000	7,000	3,000
Certificate of Compliance	22:821(B)(25)	10	3,280	3,300	3,185
Louisiana Automobile Theft and Insurance Fraud Prevention Authority Conference		95	1,200	27,200	300
Filing of Vehicle Mechanical Breakdown Insurance Policies, Per Submission	22:821(B)(26)	25	-	7,250	5,000
Discount Medical Plan-Application	22:2394	250	4,000	250	250
Filing of Property Residual Value Insurance Policies, Per Submission	22:821(B)(27)	25	-	-	-
Home Service Contract Providers-Initial Registration	22:821(B)(30)(a)	600	3,750	3,750	1,800
Home Service Contract Providers-Renewal Fee (Every Two Years)	22:821(B)(30)(b)	250	1,000	350	500
Prelicensing or Continuing Education-Provider Application	22:821(B)(29)(a)	250	7,275	8,525	6,350
Prelicensing or Continuing Education-Program or Course Application	22:821(B)(29)(b)	25	500	500	250
Appraisers-First Time Applicant	22:821(B)(34)(a)	55	3,925	660	-
Appraisers-Renewal Fee	22:821(B)(34)(b)	50	1,700	-	-
Portable Electronics Insurance Limited Line License-Initial License Application	22:821(B)(35)(a)	200	-	200	-
Portable Electronics Insurance Limited Line License-Renewal	22:821(B)(35)(b)	100	-	-	-
Suspense (Unidentified Payments)			-	-	25
TOTAL FEES			\$23,180,236	\$23,468,430	\$21,205,139

**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 2013-2014</i>	<i>Fiscal Year 2012-2013</i>	<i>Fiscal Year 2011-2012</i>
HIPAA Assessment	22:1071(D)(2)(a)	869,757	666,440	726,275
HIPAA Penalty	22:1071(D)(1)	-	-	-
HIPAA Interest	22:1071(D)(3)(b)	24	43	116
TOTAL ADMINISTRATIVE FUND		\$869,781	\$666,483	\$726,391

<i>Louisiana Insurance Rating Assessment</i>	<i>Revised Statute</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>	<i>Fiscal Year 2011-2012</i>
Sheriffs' Pension Fund, Municipal Police Retirement Fund, Firefighters' Retirement Fund	22:1476(A)(3)	58,195,005	55,105,848	54,782,845
Municipal Fire and Police Civil Service	22:1476(A)(2)	2,077,200	1,969,259	1,950,181
Department of Insurance	22:1476(B)	22,861,572	21,649,477	21,451,993
TOTAL LOUISIANA INSURANCE RATING ASSESSMENT		\$83,133,777	\$78,724,584	\$78,185,019

<i>Insurance Fraud Investigation Fund Assessment</i>	<i>Revised Statute</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>	<i>Fiscal Year 2011-2012</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)	398,196	362,774	362,200
Fraud Assessment-Department of Justice - 15%	40:1428(A)	584,365	553,843	543,301
Fraud Assessment-Department of Public Safety - 75%	40:1428(A)	2,693,397	2,698,237	2,716,503
TOTAL INSURANCE FRAUD INVESTIGATION FUND ASSESSMENT		\$3,892,958	\$3,831,854	\$3,839,004

APPENDIX I – REVENUE REPORT AS REQUIRED BY LA. R.S. 49:308.6(C)

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

<i>Federal</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>	<i>Fiscal Year 2011-2012</i>
Senior Health Insurance Information Program Grant	\$725,789	\$775,506	\$1,493,641
Premium Rate Review Grant	\$183,913	\$15,177	\$489,293
TOTAL FEDERAL FUNDS	\$909,702	\$790,683	\$1,982,934

<i>Louisiana Automobile Theft and Insurance Fraud Prevention Authority</i>	<i>Revised Statute</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>	<i>Fiscal Year 2011-2012</i>
LATIFPA Fund (Gifts, Grants, Donations)	22:2133(2)	\$36,750	\$30,000	\$19,000
LATIFPA Fund Interest	22:2134(A)	\$207	\$268	\$341
TOTAL LATIFPA		\$36,957	\$30,268	\$19,341

<i>Income Not Available</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>	<i>Fiscal Year 2011-2012</i>
Income Not Available	\$670,294	\$570,164	\$1,201,595
Income Not Available - Prior Year Accounts Receivable Collections	\$5,826	\$3,819	\$4,012
TOTAL INCOME NOT AVAILABLE	\$676,120	\$573,983	\$1,205,607

<i>Insurance Premium Taxes</i>	<i>Revised Statute</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>	<i>Fiscal Year 2011-2012</i>
Medicaid-Enrollment Managed Care Organization-Bayou Health Plan (New for Fiscal Year 2012-2013)	22:842(B)	30,921,635	17,921,585	n/a
Life, Accident and Health	22:838, 22:842, 22:270	96,475,389	93,955,844	75,044,320
Fire Casualty and Miscellaneous	22:838, 22:831	208,851,149	204,901,544	190,034,237
Surplus Lines	22:439	68,281,409	65,662,957	62,639,086
Fireman Training	22:837	3,140,883	3,057,655	2,933,635
Fire Department	22:345	21,472,344	20,418,664	19,618,705
Penalties	22:846, 22:796, 22:440	420,370	468,779	191,924
Retaliatory	22:836	247,489	194,456	127,361
Sub-Total		\$429,810,668	\$406,581,484	\$350,589,268
Fire Marshal	22:835	15,698,007	15,292,614	14,668,173
TOTAL INSURANCE PREMIUM TAXES		\$445,508,675	\$421,874,098	\$365,257,441

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

<i>Description</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>	<i>Fiscal Year 2011-2012</i>
The Medicare Improvements for Patients and Providers Act Federal Grant through the Governor’s Office of Elderly Affairs	\$145,702	-	-
TOTAL INTERAGENCY TRANSFERS	\$145,702	-	-



A unique depiction of the state bird, the stylized stained glass pelican titled "Louisiana Fisherman" is the work of Stephen A. Wilson, a Baton Rouge artist whose work adorns churches and public buildings across the South, in Louisiana, Texas, North Carolina and West Virginia. "Louisiana Fisherman" was designed for the facade of the Poydras Building in 2004 and installed in 2005. It measures five feet and six inches in diameter. Wilson holds a Master in Fine Arts from Louisiana State University, where he also received his bachelor's degree in landscape architecture.



**2013-2014 ANNUAL REPORT
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