

LOUISIANA DEPARTMENT OF INSURANCE

This public document is published at a total cost of \$1,494.03. Sixty-one copies of this public document were published in this first printing at a cost of \$444.54. The total cost of all printings of this document including reprints is \$1,494.03. This document was published by the Louisiana Department of Insurance, P.O. Box 94214, Baton Rouge, LA 70804 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 in La. R.S. 43:31.



2018 – 2019

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, 2018
ENDING JUNE 30, 2019**

James J. Donelon
Commissioner of Insurance

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

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



Mission Statement

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

**AGENCY ORGANIZATION CHART
AS OF THE 2018 - 2019 FISCAL YEAR**

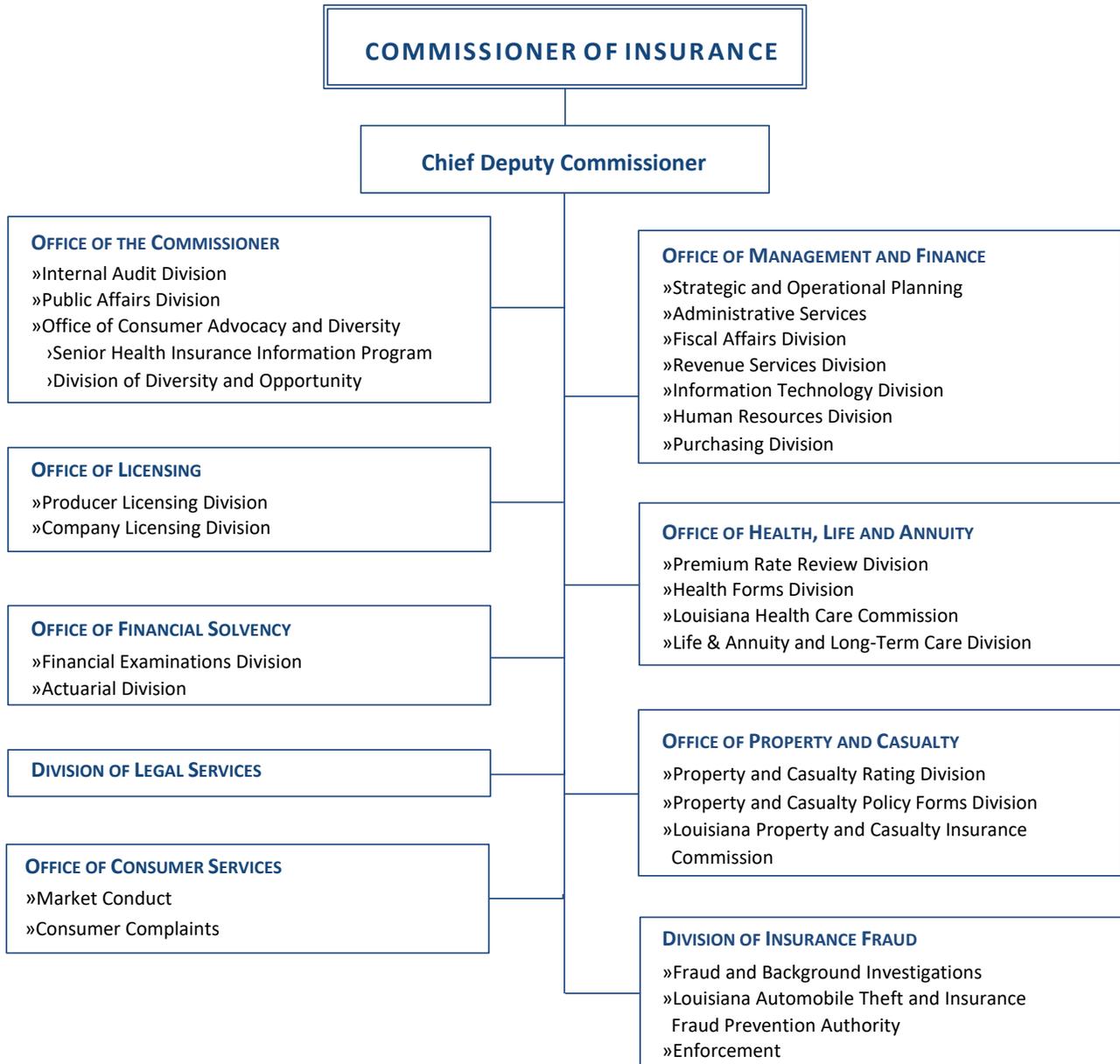


TABLE OF CONTENTS

MISSION STATEMENT	I
AGENCY ORGANIZATION CHART	II
TABLE OF CONTENTS	III
TEXT TABLES	V
CHARTS	VI
EXECUTIVE SUMMARY.....	1
OFFICE OF THE COMMISSIONER	3
Internal Audit Division	4
Public Affairs Division	5
Office of Consumer Advocacy and Diversity.....	6
Senior Health Insurance Information Program.....	7
Division of Diversity and Opportunity Report as Required by La. R.S. 22:31(5)	8
Helpful Links	11
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
Human Resources Division	23
Purchasing Division	23
Helpful Links	24
OFFICE OF LICENSING.....	25
Producer Licensing Division.....	26
Louisiana 1401 Life Insurance Exam Results Report as Required by La. R.S. 22:1545(I).....	28
Company Licensing Division	32
Helpful Links	35
OFFICE OF HEALTH, LIFE AND ANNUITY	37
Premium Rate Review Division.....	38
Health Forms Division.....	39
Health Maintenance Organization Report as Required by La. R.S. 22:268	42
Louisiana Health Care Commission	43
Life & Annuity and Long-Term Care Division	54
Helpful Links	55

TABLE OF CONTENTS

OFFICE OF FINANCIAL SOLVENCY	57
Financial Examinations Division.....	58
Actuarial Division.....	59
Helpful Link.....	59
OFFICE OF PROPERTY AND CASUALTY.....	61
Property and Casualty Rating Division.....	62
Property and Casualty Forms Division.....	69
Louisiana Property and Casualty Insurance Commission	70
Helpful Links	72
DIVISION OF LEGAL SERVICES.....	73
Legal Services	74
Litigation Disclosure Annual Report as Required by La. R.S. 36:8.1	77
Helpful Links	79
DIVISION OF INSURANCE FRAUD	81
Fraud and Background Investigations.....	82
Louisiana Automobile Theft and Insurance Fraud Prevention Authority	87
Helpful Links	91
OFFICE OF CONSUMER SERVICES	93
Complaint Report as Required by La. R.S. 22:1972	94
Complaint Dispositions.....	97
Helpful Links	98
APPENDICES.....	99
Appendix A: Insurance Terms	100
Appendix B: Property and Casualty Insurance.....	105
Exhibit of Premiums and Losses as of December 31, 2018	106
Appendix C: Life, Accident and Health Insurance	109
Exhibit of Premiums and Benefits as of December 31, 2018	
(a) Life Insurance	110
(b) Accident and Health Insurance	111
Appendix D: Aggregate Health Premium and Enrollment	113
Exhibit of Premiums, Enrollment and Utilization as of December 31, 2018.....	114
Appendix E: Health Maintenance Organizations	117
Exhibit of Premiums and Losses as of December 31, 2018	118
Appendix F: Title Insurance	119
Exhibit of Premiums and Losses as of December 31, 2018	120
Appendix G: Fraternal Insurance	121
Exhibit of Premiums and Annuity Considerations as of December 31, 2018	122
Appendix H: Group Self-Insurance Funds	123
Premium Business Written During Calendar Year 2018	124
Appendix I: Revenue Report as Required by La. R.S. 49:308.6(C).....	125

TABLE OF CONTENTS

TEXT TABLES

1. Office of Consumer Advocacy and Diversity Audits by Coverage Type	6
2. Activities of the Office of Consumer Advocacy and Diversity – Three-Year History	7
3. Assistance Provided to Senior Citizens by the Senior Health Insurance Information Program and Counselors – Three-Year History	8
4. Activities of the Division of Diversity & Opportunity – 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. Revenue Services – Three-Year History by Calendar Year	21
9. Activities of Producer Licensing – Three-Year History	27
10. Percentage of Producer and Adjuster Applicants Submitting Electronic Applications	27
11. First-Time Test Takers by Gender and Fail/Pass Status – Calendar Year 2019	29
12. First-Time Test Takers by Ethnicity and Fail/Pass Status – Calendar Year 2019	29
13. First-Time Test Takers by Ethnicity, Gender and Fail/Pass Status – Calendar Year 2019.....	30
14. First-Time Test Takers by Highest Level of Education and Fail/Pass Status – Calendar Year 2019	31
15. First-Time Test Takers by Primary Language and Fail/Pass Status – Calendar Year 2019	31
16. Activities of Company Licensing	33
17. Entities Licensed or Registered at Fiscal Year-End – Three-Year History	34
18. Activities of the Premium Rate Review Division.....	38
19. Activities of the Health Forms Division – Three-Year History	40
20. Health Form Filings Received by Coverage Type – Three-Year History	41
21. Independent Review Organizations and Utilization Review Organizations	42
22. Activities of the Life & Annuity and Long-Term Care Division – Three-Year History	54
23. Life, Annuity and Long-Term Care Forms Received by Coverage Type – Three-Year History	55
24. Property and Casualty Line Filings – Three-Year History	63
25. Rate Filings Dollar Impact – Three-Year History	64
26. Methods of Rate Filing – Three-Year History	66
27. Louisiana Property and Casualty Market Exhibit of Underwriting Gains and Losses by Line of Business - Calendar Year 2018	68
28. Property and Casualty Forms Processed – Three-Year History.....	69
29. Actions Taken on Property and Casualty Forms Processed – Three-Year History.....	69
30. Legal Issues/Administrative Hearings – Three-Year History.....	74
31. Lawsuits Brought by the Commissioner or Department of Insurance – Calendar Year 2018.....	78
32. Actions Taken Regarding Producer, Claims Adjuster and Company Fraud – Three-Year History	84
33. Charges Against Claimants or Licensees Resulting from Referrals by Category	85
34. Background Investigations – Three-Year History	86
35. Fraud Prevention Activities – Three-Year History	89
36. Complaints Handled and Funds Recovered by Insurance Product	95
37. Complaint Dispositions by Product and Total for LDI	97

TABLE OF CONTENTS

CHARTS

1. Total Department Fund Sources	16
2. Total Department Collection of Funds	18
3. Numbers of Complaints Received by Product Type and Total for LDI – Three-Year History.....	96
4. Dollars Recovered by Product Type and Total for LDI – Three-Year History	96
5. Closed Complaint Dispositions – Health	98
6. Closed Complaint Dispositions – Life, Annuity and Long-Term Care.....	98
7. Closed Complaint Dispositions – Property and Casualty	98
8. Closed Complaint Dispositions – Total LDI	98



Executive Summary

EXECUTIVE SUMMARY

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

The LDI operated on a budget of \$31.8 million, including \$717,000 in federal funds.

Licensing of insurers and producers provides the regulatory framework to assure that those entering and operating in the insurance industry are knowledgeable, capable, financially responsible and in compliance with applicable laws. Electronic processing continues to improve the LDI’s ability to enhance efficiency. Regulation of the solvency and market conduct of insurers remains a paramount responsibility of the LDI. Insurers are evaluated for both solvency and market conduct through in-house analysis and field examinations.

Administrative provisions promulgated by the LDI through its Division of Legal Services included regulations, directives, advisory letters and bulletins, which are described in this report and available in full on the LDI’s website. The Annual Litigation Report required by La. R.S. 36:8.1 is included in the Division of Legal Services chapter of this report.

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

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

The Annual Report includes historical comparisons in most tables, including three-year histories in the activities tables and recommended links on the LDI website which provide frequently accessed information to the public and to regulated entities. This document and prior Annual Reports will remain accessible on the Department’s website at www.ldi.la.gov/annualreports.



Office of the Commissioner

OFFICE OF THE COMMISSIONER

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

INTERNAL AUDIT DIVISION

The Internal Audit Division's mission is to provide an independent, objective assurance and consulting activity designed to add value and improve the operations of the department and to assist management in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the efficiency and effectiveness of risk management, control and governance processes. In order to fulfill this mission, the division has full and unrestricted access to all department activities, records, property and personnel. The chief internal auditor reports administratively and functionally to the chief deputy commissioner and has full unfettered access to the commissioner and chief deputy commissioner.

The division's goals are to examine and evaluate: the reliability and integrity of financial and operating information; the means used to identify, measure, classify and report information; the processes established to ensure compliance with policies, laws and regulations that could have significant impact on the department; the means of safeguarding assets and verifying their existence; the economy and the efficiency with which resources are employed; the extent to which the operations and programs of the department are consistent with its objectives and goals; the extent to which departmental ethics and values are promoted within the organization; and the potential for fraud and the management of fraud risk.

Follow-up audits are included in the assurance services that the Internal Audit Division provides to the department. These audits are conducted to ensure that management has implemented corrective action to resolve findings and weaknesses identified in previous internal and external audits and to help the department eliminate repeat findings in external audit reports.

In addition to assurance services, the Internal Audit Division performs consulting services to assist management in meeting its objectives. These services include, but are not limited to, facilitation, process, design, training and advisory services.

To provide these value-added services and remain current on professional standards and industry trends, the Internal Audit Division maintains professionally certified staff with sufficient knowledge, skills and experience who actively participate in professional organizations and attend conferences and seminars to further their continuing professional education.

PUBLIC AFFAIRS DIVISION

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

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

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

During the 2018-2019 Fiscal Year, the division has supported several department events with planning assistance, event materials and photography. This year the division managed an updated Louisiana Automobile Theft and Insurance Fraud Prevention Authority (LATIFPA) public awareness campaign aimed at reminding consumers that automobile theft and burglary can happen in an instant and a key to prevention is to lock automobile doors. The campaign included commissioning 30-second radio and television advertisements that ran on stations across the state. The advertisements also appeared on video screens at gas stations across the state.

The division held a press conference for legislation in support of the proposed reinsurance bill and provided research, graphics, and support to department staff as they educated members of the Legislature. Public Affairs also worked with the Senior Health Insurance Information Program (SHIIP) to update the Medicare Open Enrollment Guide through video and print publications. The division also shoots a monthly live Facebook video with SHIIP representatives that focuses on Medicare updates and tips. The division creates a special graphic and scripts for these presentations.

In addition, Public Affairs collaborated with the Collision Repairers Group and other members of industry to create radio and television public service announcements and posters reminding consumers that insurance companies cannot force them to use "preferred" mechanic shops for automobile repairs.

OFFICE OF CONSUMER ADVOCACY AND DIVERSITY

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

The Office of Consumer Advocacy and Diversity focuses on responding to consumer inquiries, performing quality management audits, and maintaining its role in community outreach. This office also remains available to assist the various divisions within the LDI and will perform a second review of a complaint file, upon request.

Table 1 summarizes the inquiries and file audits handled by the Office of Consumer Advocacy and Diversity. Table 2 summarizes the outreach activities of the Office of Consumer Advocacy and Diversity.

TABLE 1 **AUDITS BY COVERAGE TYPE**

<i>Category</i>	<i>Audits</i>	<i>Inquiries</i>	<i>Percent</i>
Property and Casualty	195	0	40.56%
Health	99	0	32.32%
Life, Annuity and Long-Term Care	59	0	27.12%
TOTALS	353	0	100.0%

OUTREACH ACTIVITIES

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

ACTIVITIES OF THE OFFICE OF CONSUMER ADVOCACY AND DIVERSITY **TABLE 2**
THREE-YEAR HISTORY

	<i>Fiscal Year 2018-2019</i>	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>
Speaking Engagements	27	60	52
Informational Packets Distributed	14,282	12,060	4,898

SENIOR HEALTH INSURANCE INFORMATION PROGRAM

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

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

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

**TABLE 3 ASSISTANCE PROVIDED TO SENIOR CITIZENS BY THE SENIOR HEALTH INSURANCE INFORMATION PROGRAM AND COUNSELORS*
 THREE-YEAR HISTORY**

	<i>Fiscal Year 2018-2019</i>	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>
Number of Hours Logged by Counselors	23,053	27,353	17,556
Number of Seniors Receiving Services (provided via telephone, email, postal mail and face-to-face contact)	81,024	73,838	52,398
Number of Senior Health Group Presentations Provided (health fairs, senior fairs and enrollment events)	548	470	467
Number of Individuals in Attendance at Presentations	44,749	36,777	26,558
Number of Senior Health Counselor Training Sessions Conducted	12	8	8
Number of Persons Provided Enrollment Assistance	**	6,302	7,940

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

** New data collection system implemented and unable to report data at this time.

DIVISION OF DIVERSITY AND OPPORTUNITY

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

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

Legislative Background

In 1984, the governor signed Act 850 into law creating the Division of Minority Affairs now known as the Division of Diversity & Opportunity. This Act provides the regulatory umbrella to assure “equal opportunity in insurance” for the citizens of Louisiana.

During the 2019 Regular Session of the Louisiana Legislature, Act 434 was enacted which abolished several boards including the Advisory Committee on Equal Opportunity. The Act became effective June 30, 2019.

Purpose

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

- Surveys insurance companies to obtain statistical information on the number of minorities employed in industry-related career positions, then uses this information to expand the number of minority and disadvantaged persons in the insurance industry.
- Offers training programs for individuals as well as small, minority and disadvantaged agencies and producers.
- Strives to increase the number of standard contracts for small, minority and disadvantaged producers with standard insurers by providing information on the qualifications and requirements to obtain those contracts.
- Provides insurance information services to groups of minority and disadvantaged consumers, churches and small businesses.
- Recruits minority producers, underwriters and insurance industry employees through the LDI website.
- Develops working relationships with university personnel to promote academic studies in insurance.
- Administers a Careers in Insurance Program for high schools and colleges using the InVest Program sponsored by the Independent Insurance Agents and Brokers of America (IIABA).

Highlights

- The Division of Diversity & Opportunity responded to 77 inquiries, seven of which were requests for assistance with obtaining standard contracts with standard insurers.
- The Division of Diversity & Opportunity worked with the Eighth Episcopal District of African Methodist Episcopal Church (which consists of approximately 115 churches in Louisiana and their congregations) to distribute information created by the Division of Diversity & Opportunity and to assist them in obtaining proper insurance coverage for the church and for the underinsured and uninsured congregations.
- Insurance companies, agencies and other entities have agreed to post vacancies to the LDI's Division of Diversity & Opportunity's website at www.ldi.la.gov/job-opportunities.
- The Division of Diversity & Opportunity participated in 40 workshops and seminars throughout Louisiana. These seminars and workshops provided students and consumers with information on educational and employment opportunities within the insurance industry.
- Consumer guides were distributed at a variety of events including legislative town hall meetings, community events and church conferences. The division also participated in business workshops and seminars with presentations titled *Managing Risks for Your Business* and *Managing Risk for Your Place of Worship*
- The Division of Diversity & Opportunity has developed a comprehensive Careers in Insurance Program utilizing the InVest Program materials developed by IIABA. The Careers in Insurance Program creates awareness of opportunities in the insurance industry through education, outreach programs, internships, job shadowing and assistance in preparing for those opportunities.
- The Division of Diversity & Opportunity established the InVest Program at 10 high schools in Louisiana. Programs are at Zachary High School in Zachary; Broadmoor High School, Woodlawn High School, Belaire High School, Scotlandville Magnet High School and McKinley High School in Baton Rouge; St. Augustine High School in New Orleans; Jeanerette High School in Jeanerette, Hanson Memorial High School in Franklin and River Oaks High School in Monroe.
- The Division of Diversity & Opportunity also established collegiate InVest Programs at three Louisiana universities: Southern University, Baton Rouge; the University of Louisiana at Monroe and the University of Louisiana at Lafayette.
- The Louisiana Municipal Association Black Caucus, the Police Jury Association of Louisiana Black Caucus and the Louisiana Legislative Black Caucus worked with the division to develop awareness about opportunities in the insurance industry.
- The Division of Diversity & Opportunity continued to work with a minority cluster group to provide technical assistance in obtaining contracts with insurance companies and to compete for local, state and federal insurance contracts.
- The Division of Diversity & Opportunity will continue to work with faculty and staff at the University of Louisiana Lafayette, University of Louisiana Monroe, and the Southern University System to promote their insurance programs.

OFFICE OF THE COMMISSIONER
OFFICE OF CONSUMER ADVOCACY AND DIVERSITY

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

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

	<i>Fiscal Year 2018-2019</i>	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>
Producers/Agencies Assisted	32	25	32
Consumer/Producer Complaints/General Information Cases Handled	70	35	107
Complaints Referred to Consumer Services	2	0	0
Training/Seminars Conducted	40	23	20
Training/Seminar Attendees	939	932	1,361
Business Plan Assistance	1	1	3
Company Positions Posted	7	2	2
Industry Jobs Obtained from Postings	0	0	0
Producers Assisted with Obtaining Contracts	0	2	3
Students Who Completed Invest Program	224	337	127

Helpful Links

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

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

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

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

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

This page is intentionally blank.



Office of Management and Finance

OFFICE OF MANAGEMENT AND FINANCE

The Office of Management and Finance has seven divisions that oversee the day-to-day operations of the department:

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

STRATEGIC AND OPERATIONAL PLANNING

Strategic and Operational Plans were legislatively mandated in 1997. Each year, this division drafts the LDI Operational Plan; evaluates the strategic plan for progress toward accomplishment of goals and objectives; 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 2019 Regular Legislative Session, the division provided information to the Legislative Fiscal Office for its development of fifteen fiscal notes. In Fiscal Year 2018-2019, the department tracked and reported on 33 key (quarterly) performance indicators and 12 supporting (semi-annual) performance indicators and provided general performance data in 94 reportable areas. To view the department's performance information, in addition to the activity information contained in this annual report, visit <https://www.doa.la.gov/Pages/opb/lapas/login.aspx#View>.

ADMINISTRATIVE SERVICES

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

MAIL ROOM

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

OFFICE OF MANAGEMENT AND FINANCE

ADMINISTRATIVE SERVICES

BUILDING SERVICES

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

TELECOMMUNICATION SERVICES

Manages and processes all telephone operations in conjunction with the Information Technology Division and associated contractors.

PROPERTY CONTROL AND PHYSICAL INVENTORY

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

VEHICLE SERVICES

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

FILE ROOM

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

FISCAL AFFAIRS DIVISION

The Fiscal Affairs Division manages and protects the Department of Insurance’s real and monetary assets and oversees the development of changes to the agency’s operating budget.

FISCAL

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

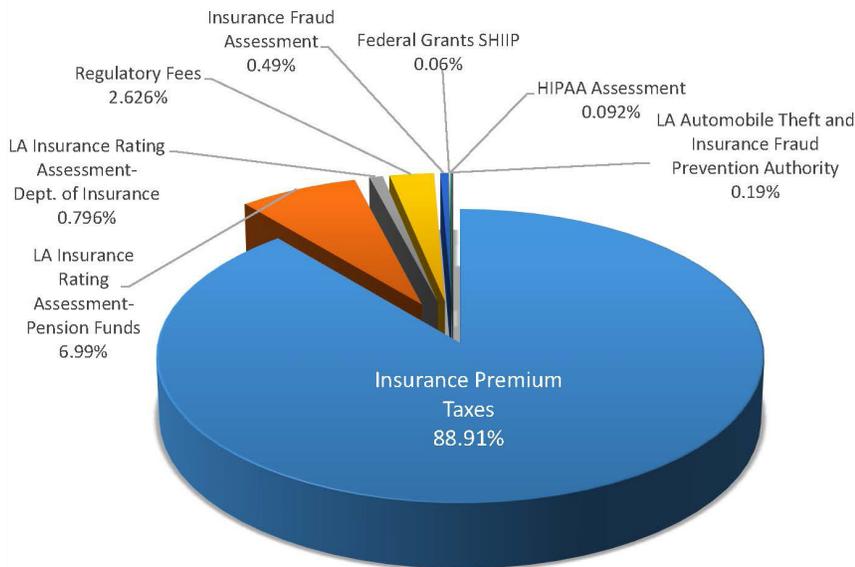
TOTAL DEPARTMENT FUND SOURCES

For Fiscal Year 2018-2019, the Department of Insurance receipts totaled \$1 billion. Insurance Premium Tax represents the largest portion at 88.91 percent, or \$914.77 million. In addition to the Insurance Premium Taxes, the department collections include Pension Fund Assessments (Louisiana Insurance Rating) at 6.99 percent, or \$71.97 million; Regulatory Fees and Louisiana Insurance Rating Assessment at 3.42 percent, or \$35.21 million; and the Insurance Fraud Assessment at 0.49 percent, or \$5.09 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 – \$578,472.72) and Income Not Available represent the bulk of collections at 96.35 percent, or \$991.29 million, and are not used to finance the department’s operations.

The remaining 3.65 percent, or \$37.55 million, represents a combination of regulatory fees and the Louisiana Insurance Rating Assessment, the Health Insurance Portability and Accountability Act Assessment (HIPAA), Federal Grant for the Senior Health Insurance Information Program, Insurance Fraud Assessment (LDI portion only – \$578,472.72) and Louisiana Automobile Theft and Insurance Fraud Prevention Authority funds which may be used to finance the operations of the LDI.

CHART 1 TOTAL DEPARTMENT FUND SOURCES



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

	<i>Fiscal Year 2018-2019</i>		<i>Fiscal Year 2017-2018</i>	
Insurance Premium Taxes	88.91%	\$914,774,551.40	88.69%	\$892,965,199.24
Louisiana Insurance Rating Assessment - Pension Funds	6.99%	71,971,710.57	6.88%	69,311,089.73
Louisiana Insurance Rating Assessment - Department of Insurance	.796%	8,189,884.34	1.04%	10,516,165.09
Regulatory Fees and Licenses	2.62%	27,021,697.55	2.67%	26,871,594.82
Insurance Fraud Assessment	.496%	5,099,666.72	0.55%	5,507,663.71
Federal Grants	.06%	622,222.00	0.06%	552,067.00
Health Information Portability and Accountability Act Assessment (HIPAA)	.092%	951,003.40	0.09%	923,928.09
Income Not Available*	.003%	30,334.24	0.00%	9,569.11
Louisiana Automobile Theft and Insurance Fraud Prevention Authority	.019%	194,353.00	0.02%	190,264.00
TOTALS	99.986%	\$1,028,855,423.22	100.0%	\$1,006,847,540.79

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

TOTAL DEPARTMENT COLLECTION OF FUNDS

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

Of the \$1.029 billion collected in Fiscal Year 2018-2019, \$914 million was classified as State General Funds including \$475.8 million in Premium Taxes, \$438.9 million in funds dedicated to the Medicaid-Healthy Louisiana Program and \$114 million was used to finance programs. Among the dedicated programs receiving funding were various law enforcement and firefighter retirement programs, which received \$69.4 million, and Municipal Fire and Police Civil Service, which received \$2.4 million of the funds collected.

The collection of \$37.5 million is a combination of Regulatory Fees and Louisiana Insurance Rating Assessment, Federal Grant and Statutory Dedicated funds used by the department as its operating source.

The total collection for the Insurance Fraud Assessment is divided between the Department of Public Safety (75 percent), the Department of Justice (15 percent) and the Department of Insurance (10 percent). Prior to making the allocations specified, the commissioner of insurance is authorized to withhold the sum of \$30,000 to defray the cost of collecting the assessment and withhold \$187,000 to fund the Louisiana Automobile Theft and Insurance Fraud Prevention Authority, in accordance with La. R.S. 40:1428(A)(4)(a).

OFFICE OF MANAGEMENT AND FINANCE

FISCAL AFFAIRS DIVISION

CHART 2 TOTAL DEPARTMENT COLLECTION OF FUNDS

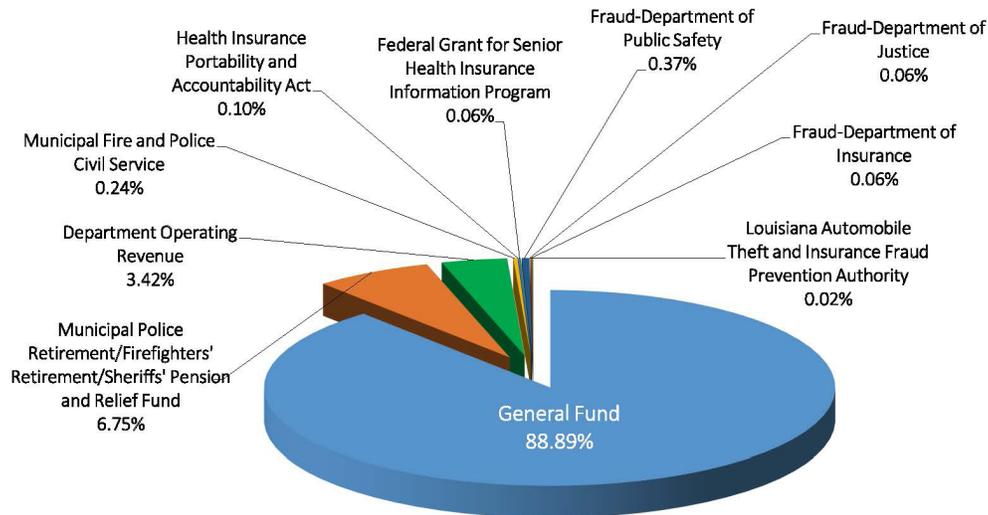


TABLE 6 TOTAL DEPARTMENT COLLECTION OF FUNDS TWO-YEAR HISTORY

	Fiscal Year 2018-2019		Fiscal Year 2017-2018	
General Fund	88.89%	\$914,804,885.64	88.70%	\$892,974,768.35
Municipal Police Retirement/Firefighters' Retirement/Sheriffs' Pension and Relief Fund	6.75%	69,489,927.32	6.64%	66,921,052.07
Department Operating Revenue	3.42%	35,211,581.89	3.71%	37,387,759.91
Municipal Fire and Police Civil Service	.24%	2,481,783.25	0.23%	2,390,037.86
Health Insurance Portability and Accountability Act	.10%	1,108,393.60	0.11%	1,105,991.20
Federal Grant for the Senior Health Insurance Information Program	.06%	622,222.00	0.05%	552,067.00
Fraud Assessment: Department of Public Safety	.37%	3,858,371.82	0.42%	4,272,025.94
Fraud Assessment: Department of Justice	.06%	662,822.18	0.06%	672,869.30
Fraud Assessment: Department of Insurance	.06%	626,834.90	0.05%	562,770.56
Louisiana Automobile Theft and Insurance Fraud Prevention Authority	.02%	279,137.68	0.03%	271,980.69
TOTALS*	99.99%	\$1,029,145,960.28	100.0%	\$1,007,111,322.88

*Total includes \$290,537.06 of carry forward funds from Fiscal Year 2017-2018. (\$48,362.18 of Fraud - Carry Forward and \$84,784.68 of Louisiana Automobile Theft and Insurance Fraud Prevention Authority - Carry Forward and \$157,390.20 of Health Information Portability and Accountability Act.)

STATEMENT OF REVENUES AND EXPENDITURES TABLE 7

<i>Revenues</i>	
Insurance Premium Taxes	\$914,774,551.40
Louisiana Insurance Rating Assessment - Pension Fund	71,971,710.57
Regulatory Fees	27,021,697.55
Louisiana Insurance Rating Assessment - LDI	8,189,884.34
Insurance Fraud Assessment	5,099,666.72
Fraud - Carry Forward from Fiscal Year 2017-2018	48,362.18
Health Insurance Portability and Accountability Act Assessment	951,003.40
Health Insurance Portability and Accountability Act - Carry Forward from Fiscal Year 2017-2018	157,390.20
Louisiana Automobile Theft and Insurance Fraud Prevention Authority	194,353.00
Louisiana Automobile Theft and Insurance Fraud Prevention Authority - Carry Forward from Fiscal Year 2017-2018	84,784.68
Federal Grant - Senior Health Insurance Information Program	622,222.00
Income Not Available	30,334.24
Total Revenues	\$1,029,145,960.28
<i>Expenditures</i>	
Personal Services	\$22,091,304.46
Travel	178,382.68
Operating Services	2,147,584.54
Supplies	125,663.24
Professional Services	2,704,003.30
Other Charges	198,149.73
Capital Outlay	618,898.66
Interagency Transfers	1,573,279.25
Total Expenditures	\$29,637,265.86
<i>Transfer Out</i>	
General Fund:	
Premium Taxes	\$475,872,024.38
Income Not Available	30,334.24
Medicaid-Healthy Louisiana Program ¹	438,902,527.02
Reversion to General Fund	7,980,299.41
Municipal Police Retirement/Firefighters' Retirement/Sheriffs' Pension and Relief Fund	69,489,927.32
Municipal Fire and Police Civil Service	2,481,783.25
Insurance Fraud Assessment:	
Department of Public Safety	3,858,371.82
Department of Justice	662,822.18
Total Transfer Out	\$999,278,089.62
<i>Funds Carried Forward Into Fiscal Year 2019-2020</i>	
Insurance Fraud Assessment	\$13.90
Health Insurance Portability and Accountability Act	149,602.95
Louisiana Automobile Theft and Insurance Fraud Prevention Authority	80,987.95
Total Funds Carried Forward	\$230,604.80

¹Funds are paid quarterly to the Louisiana Department of Insurance as part of the companies' premium taxes. The funds are then audited for accuracy and transferred directly to the Louisiana Department of Health via the State.

BUDGET

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

REVENUE SERVICES DIVISION

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

For the calendar year ending December 31, 2018, this division collected \$777,309,282 in taxes from licensed insurers and \$73,374,910 in taxes from surplus lines producers.

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

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

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

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

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

The Louisiana Insurance Rating Assessment in 2018 was .008075 percent of 2017 premiums. As such, the Louisiana Insurance Rating Assessment was \$80,152,433 based on \$9,927,132,436 of premiums, with no credits allowed to domestic or foreign insurers.

The Insurance Fraud Assessment in 2018 was 0.000375 of 2017 premiums. As such, the Insurance Fraud Assessment was \$6,269,616 based on \$10,312,076,714 of property and casualty premiums and \$6,397,190,184 of accident and health premiums.

HISTORICAL DATA

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

REVENUE SERVICES **TABLE 8**
THREE-YEAR HISTORY BY CATEGORY BY CALENDAR YEAR

<i>Life, Accident and Health Companies (Including HDMI)</i>			
<i>Year</i>	<i>Gross Premiums</i>	<i>Gross Tax¹</i>	<i>Net Tax²</i>
2018	\$6,363,224,715	\$143,222,830	\$97,122,418
2017	6,398,513,767	144,015,560	99,053,747
2016	6,680,908,350	150,405,445	100,279,022
<i>Fire and Casualty Companies</i>			
2018	11,347,536,053	337,712,825	252,527,533
2017	10,682,455,362	319,155,750	245,276,652
2016	10,275,343,914	308,420,000	224,069,679
<i>Health Maintenance Organizations (Includes Healthy La)</i>			
2018	9,277,479,696	510,261,383	424,398,067
2017	8,574,877,631	471,618,270	386,826,815
2016	7,296,852,075	401,326,864	318,806,731
<i>Title Companies</i>			
2018	155,895,346	4,680,170	3,261,264
2017	159,835,408	4,798,670	3,437,984
2016	152,070,863	4,565,200	3,303,067
<i>Surplus Lines Producers</i>			
2018	1,512,994,465	73,374,910	73,374,910
2017	1,414,667,334	68,578,317	68,578,317
2016	1,385,062,135	67,181,354	67,181,354
<i>TOTALS</i>			
2018	28,657,130,276	1,069,252,119	850,684,192
2017	27,230,349,502	1,008,166,567	803,173,216
2016	25,790,237,337	931,898,863	713,639,853

¹Gross Tax is before statutorily authorized credits.

²Net Tax is after credits and represents actual collections.

INFORMATION TECHNOLOGY DIVISION

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

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

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

The major project undertaking in Fiscal Year 2018-2019 was the rewrite of the Attorney Repository Tracking System (ARTS) into a Legal module within the Regulatory Management System. The legacy ARTS system had a growing cost of maintenance and was at a point that major rewriting of code would have been needed. This project also included developing an Enforcement module to replace an existing manual Enforcement inquiry and case management process. Both modules were built with workflows that are integrated into the Employee Portal.

Other projects realized during the fiscal year were:

- Refund Management System/Impress Management System Modules - The Information Technology Division worked with the Fiscal Division and other key stakeholders to rewrite the legacy, stand-alone systems that process and track payments dispersed/issued out by the department. The new modules reside in the Regulatory Management System (RMS) and now integrate with key data sets and workflows in RMS and the Employee Portal.
- Catastrophe Loss Reporting System (CLRS) Module - The Information Technology Division worked closely with the Actuary Division and other key stakeholders to rewrite the legacy CLRS Industry Access (IA) module. During or after a catastrophic event, this module allows industry the ability to report catastrophic property loss to the department.

The Information Technology Division completed 5,916 service requests from users during Fiscal Year 2018-2019. These service requests range from minor problems with personal computers to new required functionality for a department-developed application system.

HUMAN RESOURCES DIVISION

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

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

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

As of June 30, 2019, the LDI had 231 total employees. Of this total, there were 197 classified employees, 27 unclassified employees and seven students. In Fiscal Year 2018-2019, 82 personnel actions were processed to include new hires, separations, promotions, reallocations, etc.

PURCHASING DIVISION

SUPPLIES AND MAINTENANCE

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

PROFESSIONAL SERVICES CONTRACTS

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

HELPFUL LINKS

Requests for Proposals, www.lidi.la.gov. To access the LDI's current requests for proposals, see the Consumers tab at the top of the LDI home page.

Strategic Plan 2020-2025, <https://ldi.la.gov/docs/default-source/documents/legaldocs/strategic-plan-2020-2025.pdf>. The LDI updates its five-year strategic plan every three years.



Office of Licensing

OFFICE OF LICENSING

Producer Licensing Division

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

Activities of the Producer Licensing staff include:

- Examining applications to determine that applicants meet all requirements for being trustworthy and competent to serve the public. Recommendations to disapprove applications are based on such factors as criminal history, lawsuits and disciplinary actions in Louisiana or other states.
- Distributing forms, giving instructions and providing guidance to applicants.
- Overseeing the producer testing program.
- Monitoring all producers who negotiate contracts of insurance to assure proper licensing and appointment by licensed insurers.
- Imposing regulatory actions, including fines, suspensions and revocations against producers and adjusters for violations of the insurance code.
- Evaluating insurer appointment 'for cause' terminations.
- Reviewing examination questions, pre-licensing and continuing education provider applications and course content to assure that licensees are well prepared and knowledgeable in insurance.
- Tracking continuing education credits earned by licensees.
- Responding to inquiries from the public concerning the status of producers, managing general agents, surplus line brokers, professional employer organizations, motor vehicle rental companies, claims adjusters and public adjusters.
- Maintaining producer databases for use by other state insurance departments, courts and law enforcement agencies. The databases are public record.

At the end of Fiscal Year 2018-2019, Louisiana had 150,344 actively licensed producers and 91,201 actively licensed adjusters.

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

	<i>Fiscal Year 2018-2019</i>	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>
Resident Life, Health and Accident Licenses Issued	3,036	3,580	3,792
Nonresident Life, Health and Accident Licenses Issued	16,093	13,202	11,578
Resident Property and Casualty Licenses Issued	1,742	1,614	1,657
Nonresident Property and Casualty Licenses Issued	13,051	11,255	10,187
Claims Adjuster Licenses Issued	18,953	19,293	17,273
Public Adjuster Licenses Issued	63	56	72
Company Appointments Processed	697,467	633,596	569,627
Producer License Renewal Applications Processed	53,982	56,223	69,714
Adjuster License Renewal Applications Processed	33,964	48,590	-
Number of Insurance Exams Monitored	10,390	11,025	10,908
Continuing Education Course Applications Approved	1,449	1,532	1,472

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

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

<i>Performance Indicator</i>	<i>Prior Year Actual Fiscal Year 2014-2015</i>	<i>Prior Year Actual Fiscal Year 2015-2016</i>	<i>Prior Year Actual Fiscal Year 2016-2017</i>	<i>Prior Year Actual Fiscal Year 2017-2018</i>	<i>Prior Year Actual Fiscal Year 2018-2019</i>
Percentage of first time applications submitted electronically	98.5%	99.3%	99.2%	99.4%	99.7%
Percentage of renewal applications submitted electronically	97.5%	98.4%	99.3%	99.4%	99.8%

LOUISIANA 1401 LIFE INSURANCE EXAM RESULTS REPORT CALENDAR YEAR 2019

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

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

(a) The total number of examinees.

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

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

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

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

PURPOSE

The purpose of this report is to provide statistics on test takers of the 1401 Louisiana Life Insurance Exam during the period of January 1, 2018 to December 31, 2018, to meet reporting requirements of the La. R.S. 22:1545.

INFORMATION ABOUT THE DATA USED

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

FIRST TIME TAKERS BY GENDER AND FAIL/PASS STATUS **TABLE 11**
CALENDAR YEAR 2019

<i>Gender</i>	<i>Fail</i>	<i>Pass</i>	<i>Total</i>	<i>Percent of Total</i>
Female	415	382	797	58.60%
Percent Female	52.07%	47.93%	100.00%	
Percent Fail or Pass	64.14%	53.58%		
Male	201	313	514	37.79%
Percent Male	39.11%	60.89%	100.00%	
Percent Fail or Pass	31.07%	43.90%		
Chose Not to Respond	27	12	39	2.87%
Percent Chose Not to Respond	69.23%	30.77%	100.00%	
Percent Fail or Pass	4.17%	1.68%		
Left Blank	4	6	10	0.74%
Percent Left Blank	40.00%	60.00%	100.00%	
Percent Fail or Pass	0.62%	0.84%		
Total	647	713	1,360	100.00%
Percent Fail or Pass	47.57%	52.43%	100.00%	
Percent of Total	100.00%	100.00%		

FIRST TIME TAKERS BY ETHNICITY AND FAIL/PASS STATUS **TABLE 12**
CALENDAR YEAR 2019

<i>Ethnicity</i>	<i>Fail</i>	<i>Pass</i>	<i>Total</i>	<i>Percent of Total</i>
Asian American/Pacific Islander	7	14	21	1.54%
Percent Asian Americans/Pacific Islanders	33.33%	66.66%	100.00%	
Percent Fail or Pass	1.08%	1.96%		
Black/African-American	427	302	729	53.60%
Percent Blacks/African-Americans	58.57%	41.43%	100.00%	
Percent Fail or Pass	66.00%	42.36%		
Hispanic/Latin American	19	19	38	2.79%
Percent Hispanics/Latin Americans	50.00%	50.00%	100.00%	
Percent Fail or Pass	2.94%	2.66%		
Native American	2	5	7	0.51%
Percent Native Americans	28.57%	71.43%	100.00%	
Percent Fail or Pass	0.31%	0.70%		
Caucasian/White (non-Hispanic)	161	349	510	3.31%
Percent Caucasians/Whites (non-Hispanic)	31.57%	68.43%	100.00%	
Percent Fail or Pass	24.88%	48.95%		
Chose Not to Respond	27	18	45	37.50%
Percent Chose Not to Respond	60.00%	40.00%	100.00%	
Percent Fail or Pass	4.17%	2.52%		
Left Blank	4	6	10	0.74%
Percent Left Blank	40.00%	60.00%	100.00%	
Percent Fail or Pass	0.62%	0.84%		
Total	647	713	1,360	100.00%
Percent Fail or Pass	47.57%	52.43%	100.00%	
Percent of Total	100.00%	100.00%		

**TABLE 13 FIRST TIME TAKERS BY ETHNICITY, GENDER AND FAIL/PASS STATUS
CALENDAR YEAR 2019**

<i>Fail</i>	<i>Gender</i>				
	<i>Female</i>	<i>Male</i>	<i>Chose Not to Respond</i>	<i>Left Blank</i>	<i>Total</i>
Asian American/Pacific Islander	6	1	0	0	7
Percent Asian Americans/Pacific Islanders Who Failed	85.71%	14.29%	0.0%	0.0%	100.0%
Percent Gender Group Who Failed	1.45%	0.50%	0.0%	0.0%	
Black/African-American	286	140	1	0	427
Percent Blacks/African-Americans Who Failed	66.98%	32.79%	0.23%	0.0%	100.0%
Percent Gender Group Who Failed	68.92%	69.65%	3.70%	0.0%	
Hispanic/Latin American	13	6	0	0	19
Percent Hispanics/Latin Americans Who Failed	68.42%	31.58%	0.0%	0.0%	100.0%
Percent Gender Group Who Failed	3.13%	2.99%	0.0%	0.0%	
Native American	2	0	0	0	2
Percent Native Americans Who Failed	100%	0.0%	0.0%	0.0%	100.0%
Percent Gender Group Who Failed	0.48%	0.00%	0.0%	0.0%	
Caucasian/White (non-Hispanic)	108	52	1	0	161
Percent Caucasians/Whites (non-Hispanic) Who Failed	67.08%	32.30%	0.62%	0.0%	100.0%
Percent Gender Group Who Failed	26.02%	25.87%	3.70%	0.0%	
Chose Not to Respond	0	2	25	0	27
Percent Chose Not to Respond Who Failed	0.0%	7.41%	92.59%	0.0%	100.0%
Percent Gender Group Who Failed	0.00%	1.00%	92.59%	0.0%	
Left Blank	0	0	0	4	4
Percent Left Blank Who Failed	0.0%	0.0%	0.0%	100.0%	100.0%
Percent Gender Group Who Failed	0.00%	0.0%	0.0%	100.0%	
Totals	415	201	27	4	647

<i>Pass</i>	<i>Gender</i>				
	<i>Female</i>	<i>Male</i>	<i>Chose Not to Respond</i>	<i>Left Blank</i>	<i>Total</i>
Asian American/Pacific Islander	8	6	0	0	14
Percent Asian Americans/Pacific Islanders Who Passed	57.14%	42.86%	0.0%	0.0%	100.0%
Percent Gender Group Who Passed	2.09%	1.92%	0.0%	0.0%	
Black/African-American	194	108	0	0	302
Percent Blacks/African-Americans Who Passed	64.24%	35.76%	0.0%	0.0%	100.0%
Percent Gender Group Who Passed	50.79%	34.50%	0.0%	0.0%	
Hispanic/Latin American	9	10	0	0	19
Percent Hispanics/Latin Americans Who Passed	47.37%	52.63%	0.0%	0.0%	100.0%
Percent Gender Group Who Passed	2.36%	3.19%	0.0%	0.0%	
Native American	5	0	0	0	5
Percent Native Americans Who Passed	100%	0.0%	0.0%	0.0%	100.0%
Percent Gender Group Who Passed	1.31%	0.0%	0.0%	0.0%	
Caucasian/White (non-Hispanic)	163	185	1	0	349
Percent Caucasians/Whites (non-Hispanic) Who Passed	46.70%	53.01%	0.29%	0.0%	100.0%
Percent Gender Group Who Passed	42.67%	59.11%	8.33%	0.0%	
Chose Not to Respond	3	4	11	0	18
Percent Chose Not to Respond Who Passed	16.67%	22.22%	61.11%	0.0%	100.0%
Percent Gender Group Who Passed	0.79%	1.28%	91.67%	0.0%	
Left Blank	0	0	0	6	6
Percent Left Blank Who Passed	0.0%	0.0%	0.0%	100.0%	100.0%
Percent Gender Group Who Passed	0.0%	0.0%	0.0%	100.0%	
Totals	382	313	12	6	713

FIRST TIME TAKERS BY HIGHEST LEVEL OF EDUCATION AND FAIL/PASS STATUS **TABLE 14**
CALENDAR YEAR 2019

<i>Highest Level of Education</i>	<i>Fail</i>	<i>Pass</i>	<i>Total</i>	<i>Percent of Total</i>
Less Than 12th Grade Percent of this Education Level Percent of Fail or Pass	11 100.00% 1.70%	0 0.00% 0.00%	11 100.00%	0.81%
High School Diploma or Equivalent Percent of this Education Level Percent of Fail or Pass	169 62.36% 26.12%	102 37.64% 14.31%	271 100.00%	19.93%
Some College Percent of this Education Level Percent of Fail or Pass	239 53.23% 36.94%	210 46.77% 29.45%	449 100.00%	33.01%
Two-Year College Degree (Associate Degree) Percent of this Education Level Percent of Fail or Pass	70 44.03% 10.82%	89 55.97% 12.48%	159 100.00%	11.69%
Four-Year College Degree (Bachelor's Degree) Percent of this Education Level Percent of Fail or Pass	94 29.75% 14.53%	222 70.25% 31.14%	316 100.00%	23.24%
Advanced Degree (Master's Degree or Doctorate) Percent of this Education Level Percent of Fail or Pass	27 28.12% 4.17%	69 71.88% 9.68%	96 100.00%	7.05%
Chose Not to Respond Percent Chose Not to Respond Percent of Fail or Pass	37 63.79% 5.72%	21 36.21% 2.94%	58 100.00%	4.27%
Totals	647	713	1,360	100.0%

FIRST TIME TAKERS BY PRIMARY LANGUAGE AND FAIL/PASS STATUS **TABLE 15**
CALENDAR YEAR 2019

<i>Primary Language</i>	<i>Fail</i>	<i>Pass</i>	<i>Total</i>	<i>Percent of Total</i>
English Percent of English Language Percent of Fail or Pass	581 46.22% 89.80%	676 53.78% 94.81%	1,257 100.0%	92.43%
Spanish Percent of Spanish Language Percent of Fail or Pass	12 60.00% 1.85%	8 40.00% 1.12%	20 100.0%	1.47%
French Percent of French Language Percent of Fail or Pass	6 66.67% 0.93%	3 33.33% 0.42%	9 100.0%	0.66%
Other Percent of Other Language Percent of Fail or Pass	5 50.00% 0.77%	5 50.00% 0.70%	10 100.0%	0.73%
Chose Not to Respond Percent of Chose Not to Respond Percent of Fail or Pass	43 67.19% 6.65%	21 32.81% 2.94%	64 100.0%	4.71%
Totals	647	713	1,360	100.0%

COMPANY LICENSING DIVISION

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

Activities of the Company Licensing staff include:

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

OFFICE OF LICENSING
COMPANY LICENSING DIVISION

ACTIVITIES OF COMPANY LICENSING TABLE 16

	<i>Number Received</i>	<i>Number Approved</i>	<i>Number Disapproved</i>	<i>Number Withdrawn</i>	<i>Number Pending</i>
Domestic					
Captives	0	0	0	0	0
Certificates of Authority (Initial)	1	0	0	0	1
Dissolutions	0	0	0	0	0
Acquisitions/Mergers	5	1	0	2	2
Form A Exemption Requests	7	3	1	2	1
Regulation 66 Requests*	187	127	2	10	48
Letters of No Objection to Expansion	6	5	1	0	0
Health Maintenance Organization Service Area Expansions	0	0	0	0	0
Mutual Holding Company Conversions	0	0	0	0	0
Article Amendments	14	12	0	1	1
Health Maintenance Organizations	2	1	0	0	1
Redomesticate from Louisiana	1	1	0	0	0
Subtotal	223	150	4	15	54
Foreign					
Certificates of Authority (Initial)	23	10	0	4	9
Surplus Lines Approvals (Initial)	8	6	0	0	2
Accredited Reinsurers	1	1	0	0	0
Mergers	7	5	0	1	1
Withdrawals	23	15	0	2	6
Acquisitions	49	38	0	5	6
Subtotal	111	75	0	12	24
Domestic, Foreign and Alien					
Third Party Administrator Exceptions	0	0	0	0	0
Third Party Administrator Applications	32	14	0	6	12
Risk Purchasing Groups	40	13	0	4	23
Risk Retention Groups	8	4	0	1	3
Medical Discounts Plans	16	3	1	1	11
Dental Referral Plans	2	2	0	0	0
Viatical Settlement Brokers	1	0	0	0	1
Viatical Settlement Providers	3	0	0	1	2
Security Registrations	1	1	0	0	0
Security Exemptions	0	0	0	0	0
Utilization Review Organizations Applications	12	3	0	4	5
Independent Review Organizations Applications	3	1	0	1	1
Specialty Insurers - Vehicle Mechanical Breakdown Insurers	2	1	0	1	0
Amendments of Certificate of Authority/Article Amendments	79	63	0	0	16
Adding Lines to Certificate of Authority	28	18	0	1	9
Certificates of Compliance	53	48	1	0	4
Multiple Employer Welfare Arrangement	0	0	0	0	0
Viatical Investment Agents	0	0	0	0	0
Subtotal	280	171	2	20	87
TOTALS	614	396	6	47	165

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

OFFICE OF LICENSING
COMPANY LICENSING DIVISION

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

	<i>Fiscal Year 2018-2019</i>	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>
Risk Bearing			
Domestic			
Domestic Insurers	90	92	94
Domestic Health Maintenance Organizations	13	11	12
Captives	2	2	2
Total Domestics	105	105	108
Non-Domiciliary			
Foreign/Alien Insurers Admitted	1,335	1,323	1,307
Surplus Lines (estimated)	194	194	184
Total Non-Domiciliaries	1,529	1,517	1,491
Other			
Risk Retention Groups	78	87	86
Vehicle Mechanical Breakdowns	26	65	61
Accredited Reinsurers	13	13	13
Property Residual Values	2	2	2
Multiple Employer Welfare Arrangements	2	2	1
Total Other	121	169	163
TOTAL RISK BEARING	1,755	1,791	1,762
Non-Risk Bearing			
Third Party Administrators	345	372	368
Risk Purchasing Groups	211	238	226
Utilization Review Organizations	75	75	70
Discount Medical Plans	30	28	26
Viatical Settlement Providers	11	14	14
Independent Review Organizations	13	14	12
Home Service Contract Providers	0	0	2
Viatical Settlement Brokers	5	5	7
Security Registrations	1	1	1
Dental Referral Plans	3	3	3
Viatical Investment Agents	0	0	0
Medical Necessity Review Organizations	0	0	0
TOTAL NON-RISK BEARING	694	750	729
TOTALS	2,449	2,541	2,491

HELPFUL LINKS

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

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

Agent and Adjuster Search, <https://www.lidi.la.gov/onlineservices/ProducerAdjusterSearch/>.

This page is intentionally blank.



Office of Health, Life and Annuity

OFFICE OF HEALTH, LIFE & ANNUITY

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

PREMIUM RATE REVIEW DIVISION

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

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

Table 18 includes rates that are subject to review, rates found reasonable or unreasonable, as well as rate filings that were withdrawn.

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

Rate Filings Received	45
Reasonable Findings	44
Unreasonable Findings	0
Filings Withdrawn	0

HEALTH FORMS DIVISION

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

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

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

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

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

This division implements its statutory authority by:

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

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

The counts reported in Table 19 represent the number of forms included in health insurance filings that are received and processed. Each regulated entity's forms are counted separately. After the LDI receives health insurance filings, forms may be reclassified, such that multiple forms initially counted separately are combined into a single form. The most common reasons for reclassification are the erroneous classification of multiple parts of a single form as separate forms and the filing of supporting documents as forms. As an example, an initial filing of five forms at the time of receipt may be reclassified as, and processed as, two forms. Consequently, the numbers reported for forms received and forms processed in Table 19 may not reconcile. Moreover, the same circumstances may also impact forms that are reported as pending.

OFFICE OF HEALTH, LIFE & ANNUITY
HEALTH FORMS DIVISION

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

	<i>Fiscal Year</i> 2018-2019	<i>Fiscal Year</i> 2017-2018	<i>Fiscal Year</i> 2016-2017
Policy Forms, Advertisements and Rates Received			
Forms Received	3,403	5,391	3,287
Advertisements Received	800	934	550
Rate Forms Received	1,121	1,228	1,218
TOTALS	5,324	7,553	5,055
Policy Forms, Advertisements and Rates Processed			
Approved	4,896	5,802	4,936
Accepted/Filed	147	151	174
Acknowledged/Informational	47	81	41
Disapproved	79	1,289	252
Withdrawn by Company	277	193	168
TOTAL PROCESSED	5,446	7,516	5,571
Policy Forms, Advertisements and Rates Pending			
All Health Policy Forms, Advertisements and Rate Filings Pending at End of Fiscal Year	537	855	711

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

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

	<i>Fiscal Year 2018-2019</i>	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>
Comprehensive Coverage Types			
Major Medical	542	545	524
Health Maintenance Organization	541	665	601
Limited Benefit Coverage Types			
Short-Term Limited Duration	134	22	17
Medicare Supplement/Select	1,560	1,716	1,271
Disability	345	477	504
Dental	502	451	393
Hospital Indemnity	215	365	232
Accident Only	312	758	420
Cancer/Dread Disease	137	142	141
Miscellaneous	631	2,098	475
Accidental Death/Dismemberment	65	76	110
Critical Illness	245	158	236
Vision	95	80	131
TOTALS	5,324	7,553	5,055

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

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

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

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

Health insurance premiums paid during the 2018 Calendar Year which were subject to assessment totaled \$4,005,126,470.30. These premiums were assessed at .00024 percent. A total of \$961,219.82 was collected from 25 health insurance issuers.

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

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

Independent Review Organization Applications Received	2
Independent Review Organization Applications Processed	2
Independent Review Organization Applications Pending Final Action	0
Utilization Review Organization Applications Received	12
Utilization Review Organization Applications Processed	11
Utilization Review Organization Applications Pending Final Action	1

HEALTH MAINTENANCE ORGANIZATION REPORT

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

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

The policy forms of all major medical insurance issuers, including those of health maintenance organizations, are subject to the forms approval process of the LDI. Health maintenance organization filings represented about 50 percent of all comprehensive coverage forms and about 0.10 percent of all filings reviewed by the Office of Health, Life and Annuity (see Table 20 on page 41).

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

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

LOUISIANA HEALTH CARE COMMISSION

LEGISLATIVE BACKGROUND

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

PURPOSE

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

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

MEMBERSHIP

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

MEETINGS

August 24, 2018

The Louisiana Health Care Commission held its first meeting of the fiscal year on August 24, 2018. The deputy commissioner of the Office of Health Life & Annuity at the Louisiana Department of Insurance gave an update on the division's regulatory activities and a brief overview of the future regulation of Association Health Plans.

Next, the healthcare economist for Blue Cross and Blue Shield of Louisiana discussed the future of the individual health insurance market and gave an in depth presentation on the Association Health Plan and Short-Term Health Plan Rules.

Individual Health Insurance Market:

- Two-thirds of the state who are Medicare recipients have a supplemental health policy.
- A third of the state's Medicare recipients are disabled, under the age of 65.

OFFICE OF HEALTH INSURANCE
LOUISIANA HEALTH CARE COMMISSION

- Private entities now interface with Medicare on a consistent basis.
- Ten percent of Louisiana residents are now enrolled in the Medicaid expansion population.
- The federal match for the new Medicaid expansion population is at six percent.
- Continuing challenges are provider reimbursement ratios.
- Effective January 1, 2019, the tax law will change and the Individual Mandate will be eliminated.
- Eighty percent of the state is covered by the biggest third party payers: Medicaid, Blue Cross and Medicare.
- Ninety percent of the population buying health insurance through the marketplace exchange are drawing down some type of tax credit, but half of those enrolled in the marketplace do not qualify for any assistance, making short term and association health plans a better option.
- The same structure that applies to the short term and association health plans population is applicable to small group plans that are age rated based on 50 full-time employees, irrespective of how sick or healthy the group may be.

Association Health Plans Rule:

- Cannot be formed for the sole reason of offering health insurance;
- Provides the opportunity for single employers to buy group coverage, while providing the benefit of individual coverage;
- Must have a legitimate purpose to exist if not offering a health plan in order to meet the federal requirement;
- There must be a recognizable, stable structured Board of Directors to establish an AHP, including:
 - Bylaws
 - Identifiable parties responsible for the operations
 - Fiduciary responsibility
- Not required to provide minimum value, resulting in higher deductibles and co-insurance;
- Mental Parity state laws apply;
- Cannot limit pre-existing conditions;
- Cannot upcharge based on health condition;
- Allowed to set different rates for similarly employed employees;
- An insurance carrier cannot sponsor an association;
- Has the discretion to allow who is a part of the group, though it is clear associations cannot deny coverage based on membership or health status of a group;
- Required to cover the United States Preventative Immunization Task Force screening, based on:
 - 46 listed covered items with a zero co-pay notwithstanding how high the deductible may be.

He also stated the reason associations are coming into play is due to the demand by small groups that desire better rates, which big groups enjoy because of their lower administrative costs on insurance carriers.

Short-Term Medical Plans Rule:

- Cannot be a Qualified Health Plan;
- Not required to cover Essential Health Benefits;
- Not required to meet an actuarial value;
- Healthy populations will likely be attracted to this plan;
- Unhealthy populations will likely remain in the ACA marketplace;
- Pricing must be based on health and gender, unlike the ACA;
- Prices will be significantly lower if the sickest five percent of the population are excluded and the rates go down by half.

OFFICE OF HEALTH INSURANCE LOUISIANA HEALTH CARE COMMISSION

In conclusion, he cited the long-term solution for groups to be the establishment of a Multiple Employer Welfare Arrangement with its own trust and committed membership that has the ability to shop for a third-party administrator without offloading risk onto another entity.

For more information from this presentation, go to:

<http://www.lhi.la.gov/consumers/boards-commissions/health-care-commission>

Finally, the director of LHCC proposed that commission members consider the possible creation of a Community Coalition Subcommittee in working with other state agencies to achieve some common goals such as general awareness of health care changes and an increase in preventative health initiatives that play a major part in health care costs, such as chronic diseases like obesity. She requested that LHCC members email her recommendations. The chairman of LHCC also suggested that the commission might obtain information from statewide community assessments in order to identify the most significant needs and problems that needed to be addressed.

November 30, 2018

At the second meeting of the fiscal year, LHCC's director introduced the new deputy commissioner for the Office of Life, Health & Annuity at the Louisiana Department Insurance, who gave members an overview of his professional background and experience, and then gave an update on the most recent activity of the Office of Health, Life & Annuity. He reported on the new set of federal regulations (the Final Rule) promulgated by the Department of Labor to create different vehicles to be used as alternatives to traditional health insurance.

Association Health Plans (AHPs):

- Expands the ability for Multiple Employer Welfare Arrangements (MEWAs) to come together and form associations based on common geography or industry.
- There are two self-funded plans in Louisiana licensed for licensing products for fully insured plans.
- Allows for greater flexibility in terms of how groups may associate with each other.
- Interest has generated from groups that want to self-fund an AHP, although traditional insurers are uncomfortable with the idea of pursuing the pathway under the new rule that has more restrictive rating guidelines.

Short-Term Health Plans:

- Adopted on October 2, 2018;
- Established under the Affordable Care Act;
- Previously, the Obama Administration limited the length of a short-term plan to a maximum of three months;
- Under the Trump Administration, it extends the rule to 364 days and then allows for renewal up to a total of 36 months;
- Interest in short-term plans have been greater than those of association health plans thus far, presumably because they are simpler to set up;
- To date, 10 insurers have submitted applications in Louisiana and nine of them have been approved to sell products on the Individual Market;
- Compared to traditional plans, these plans do not have Essential Health Benefit requirements; and
- Often these plans are set up by "per occurrence" and "lifetime benefit restrictions," so they have a tendency to be more restrictive in terms of the services they offer than that of a traditional insurance plan.

OFFICE OF HEALTH, LIFE & ANNUITY

LOUISIANA HEALTH CARE COMMISSION

Health Reimbursement Arrangement (HRA) Rule:

- Allows an employer to fund the premium of its employees through the individual market rather than purchasing traditional insurance for them;
- HRA Rule restrictions cause concern in precluding the individual market from gaining more risk; and
- The rule will not be final until January 2020.

Other Activity:

- The Centers for Medicare & Medicaid Services released 1332 Waiver Models that have generated great interest in pursuing these models on the federal level;
- The rules are less restrictive in terms of when states can and cannot apply; how much authority states need to pursue a 1332 Waiver; and the level of evidence that is required to demonstrate that it is acceptable; and
- The Reinsurance Model is also still available.

The senior vice-president of strategy and business development of Blue Cross and Blue Shield of Louisiana commented on the department's prior pursuit of a 1332 Waiver with the Legislature that approved the authorization but denied its attempts to fund it, and questioned whether these new rules would heighten the department's interest in pursuing another 1332 Waiver. The deputy commissioner of the Office of Health, Life & Annuity stated that the new rules would not ease the path for a 1332 Waiver in that context because the issues that precluded it from moving forward last year have not been addressed by the rule change.

Next, the policy coordinator for Louisiana Cancer Prevention and Control Programs, the director of Southwest Louisiana Area Health Education Center and the research and policy analyst for the Center for Planning Excellence (CPEX) all gave presentations on Complete Streets Initiative – An “Intervention” to Thwart Obesity and Promote the Health of Louisiana Citizens. The presentations may be found at: <http://www.lidi.gov/consumers/boards-commissions/health-care-commission/lhcc-meetings>

In conclusion, the director of LHCC asked members to submit any recommendations for the LHCC annual report to her, including any future areas of study.

February 22, 2019

At the third meeting of the fiscal year, the deputy commissioner for the Louisiana Department of Insurance's Office of Life, Health and Annuity provided an office update. He addressed the Texas v. Azar case and the issue of whether the state should pursue legislative protections for pre-existing conditions into state law. Currently, he is not certain whether the department will pursue such a bill, unless it is able to secure the bill into a favorable posture that will not jeopardize the ability of individuals to purchase health insurance because it is too expensive, and adequately protects individuals with pre-existing conditions.

Additionally, he stated the department would try to help individuals understand the bill's purpose and significance. The Texas District Court ruled that because the individual mandate had zeroed out the tax penalty if individuals did not purchase health insurance, the prior Supreme Court opinion found that the Affordable Care Act was enforceable. Currently, it has been appealed to the Fifth Circuit Court of Appeal and a ruling should occur at the end of this year. According to the deputy commissioner, the general thought is the district court's ruling will not fully withstand the appeal; however, where it falls between a full strike of the ACA and a strike of the individual mandate is to be determined. Consequently, this issue has prompted discussion as to what to do about state law protections under the Affordable Care Act –

OFFICE OF HEALTH, LIFE & ANNUITY

LOUISIANA HEALTH CARE COMMISSION

specifically, protections for pre-existing conditions. The difficulty with incorporating protections into law is the cost. In the event *Texas v. Azar* stands as is, what subsidizes the cost is the advance tax premium credit that the federal government pays to the insurer as a part of the insurance premium. In the event the state were to implement all ACA protections into state law, it would effectively make it a legal requirement that any insurance offered meet the current ACA requirements. He stated that without the current advance premium, tax credits that exist today, the premiums that result from those requirements would not be affordable. Discussions are ongoing but there are no states pursuing legislation at this time.

LHCC's member representing the League of Women Voters of Louisiana questioned where the state of Louisiana stands on the aforementioned issue. The deputy commissioner of the Office of Health, Life & Annuity stated the Louisiana attorney general is one of the challengers to the ACA and the Louisiana Department of Insurance has no standing on this issue. She also questioned if the attorney general is involved in the ACA lawsuit, what measures the state could take, if any, with the Legislature. The deputy commissioner of the Office of Health, Life & Annuity stated that even if federal law did not prevail, the state could still enact parallel protections or alternative protections into state law with fairly broad authority to regulate those markets in accordance with state law.

LHCC's chairman questioned what the financial ramifications of the ACA might be if the law were overturned. The deputy commissioner of Office of Health, Life & Annuity stated that if all protections were put into the Affordable Care Act law as a state mandate, it would cost the advance premium tax credit's value each year, because that's the difference between what someone currently pays right now and what it actually costs; in the state of Louisiana, as of last year, \$554 million of federal government money was available and could be appropriated to the states to fix the current problem. That said, it is too premature to anticipate the federal government's position.

Next, LHCC's chairman inquired on the current number eligible for Medicaid in the state of Louisiana. The deputy commissioner of the Office of Health, Life & Annuity reported that as of March approximately 40,000 individuals would find out whether they are eligible for Medicaid expansion. He stated the Medicaid program has implemented a new enrollment eligibility system within the last few months as a part of a general response to critical audits that revealed a lack of program controls.

Additionally, he reported to LHCC members that other legislation the department is looking at is relative to Balance Billing. He stated there is a Balance Billing Task Force that meets at the Louisiana Department of Insurance which the department is participating in and hopes to craft a bill that everyone can come together on to address during the next legislative session. Currently, parties have agreed to draft some options such as adopting Texas legislation that passed last year's legislative session. He also stated there is a system to create non-binding mediation to allow patients to challenge legislation. There will be further discussion and if everyone can get on board, it will move forward.

LHCC's member representing the League of Women Voters of Louisiana stated she brought up the issue of Balance Billing with Representative Talbot's office this week and when she spoke with LHCC staff, she understood that LHCC members were not assigned to the Balance Billing Task Force. She spoke with the Louisiana Department of Insurance's chief deputy commissioner who provided her with the Minutes of the Balance Billing Task Force's last meeting and expressed an interest in being invited to participate in future meetings from a consumer representative standpoint. The deputy commissioner of the Office of Health, Life & Annuity stated while he does not personally sit on the Balance Billing Task Force, he would be happy to convey any information and take back comments or criticisms to the task force in an effort to ameliorate any potential problems.

OFFICE OF HEALTH, LIFE & ANNUITY
LOUISIANA HEALTH CARE COMMISSION

Next, the assistant secretary for the Office of Public Health, with the Louisiana Department of Health, was introduced by LHCC's chairman who stated that Louisiana was undergoing some challenges with respect to the affordability of treatment of chronic disease. The assistant secretary for the Office of Public Health reported he is working on individual community health efforts through innovative public service approaches across public sector health strategies, private sector engagement and sharing data to foster coordinated learning health systems.

Additionally, he reported on efforts to address the state's national hepatitis outbreak that has not been declared a national crisis but an outbreak based on available data – with at least three major Hepatitis A outbreaks in the last decade. He reported that by December 2018, there were 26 cases in the state of Louisiana, compelling the Louisiana Department of Health to declare an outbreak.

Additionally, he gave a clinical overview of the symptoms and impact of Hepatitis A & C. Concentrated areas of infection include those homeless and suffering from opioid addiction.

He also reported the establishment of a Hepatitis Surveillance Force whereby the Office of Public Health receives the laboratory data to monitor what is going on in the communities regarding outbreaks.

Next, a presentation on the new Our Lady of the Lake Children's Hospital was given by the president of Our Lady of the Lake Children's Health, who reported the following:

- The new OLOL Children's Hospital will open on October 5, 2019.
- The goal is to be a full service children's hospital.
- The vision and mission is based on higher clinical care and acuity.
- There will be a high degree of community outreach.
- Population Health is a priority moving forward.
- There is a strong mission for education and innovation.
- Over 100,000 children are treated in the Baton Rouge area.
- More than a hundred pediatricians in Baton Rouge and surrounding areas cover 25 pediatric subspecialties with transports throughout the state and into other states.
- 33,000 children are treated at the pediatric emergency room in Baton Rouge.
- There is a growing team of pediatric subspecialists who cover virtually every subspecialty for children, including the St. Jude's Connection, Hematology/Oncology service line.
- There is recruitment for other surgical subspecialties.
- The hospital is one of eight St. Jude's affiliates that provides higher level services with St. Jude's protocols.
- As a St. Jude's affiliate, a family's insurance is billed for care but not anything the insurance covers, St. Jude will cover.
- There is an existing transport service that has transported over 1,300 children within the last three years.
- There is opportunity to expand from a statewide network perspective and go on-line to work more closely with St. Francis Medical Center in Monroe.
- The creation of a one-number transfer call center is anticipated so that if a child needs to receive care in Louisiana, this one number may be called so that the hospital can provide that service.
- The hospital is the largest child life services provider in Louisiana that is an accredited program, which is rare across the United States.
- The hospital provides a wide array of services that are physician and nurse practitioner driven.

OFFICE OF HEALTH, LIFE & ANNUITY

LOUISIANA HEALTH CARE COMMISSION

- Other initiatives include parenting youth with an online youth based podcast forum for families and parents to learn about specific aspects of healthcare.
- There is a large focus on population health and obesity between the hospital in collaboration with Pennington Biomedical Center.

Next, the chief medical officer of OLOL Children’s Hospital, gave an overview and background of the hospital, reporting the following:

- There will be 90 rooms, 94 beds, and 30 emergency rooms.
- The third floor of the hospital is dedicated to children with cancer where chemotherapy takes place.
- Collaborative efforts have been made with the Baton Rouge Clinic, Baton Rouge General, including Pennington Biomedical Center and Our Lady of the Lake Hospital.

LHCC’s member representing the League of Women’s Voters of Louisiana stated that the legislative session is coming up and Medicaid will be an issue of concern and questioned the approximate cost of grants for the new facility. The chief medical officer of OLOL’s Children’s Hospital reported \$230 million allotted to be the budget for the project, including the hospital and the medical office building.

LHCC’s member representing AARP Louisiana, as a volunteer representative, inquired about preventative care and the importance of providing access to public transportation. The chief medical officer stated there would be public transportation available on Essen Lane in Baton Rouge.

Next, LHCC’s At-Large member inquired whether there would be any discussions about any major health carriers, offering full coverage, which are planning to return to the state of Louisiana. LHCC’s chairman stated that he did not have the answer at this time.

Finally, LHCC’s chairman then asked if any members had any information to submit in preparation for LHCC’s 2018 Report to the Legislature, stating that if any members had any questions or comments, to submit them to the director of LHCC to review for consideration and incorporation into the report.

May 31, 2019

At the last meeting of the fiscal year the assistant commissioner of the Office of Health, Life & Annuity provided a health legislative update on the following legislation:

- HB 119 – Provides relative to the denial of a prescription based upon step therapy or fail first protocols or non-formulary status. Status: House Order Awaiting Concurrence.
- HB 237 – Prohibits pre-existing condition exclusions or other discrimination based on health status. Status: Involuntarily Deferred
- HB 308 – Prohibits lifetime and annual limits on health insurance benefits. If the ACA is struck down, this bill will be amended to protect the HIPAA guaranteed renewability provision. Initially, it was provided to prohibit the annual lifetime limits but it has since been amended to add the HIPAA guaranteed renewability provision. Status: House Orders awaiting concurrence.
- HB 345 – Provides for coverage for breast and ovarian cancer susceptibility screening. Status: Passed Senate and sent to the Governor.
- HB 347 – Provides for the coverage of diagnostic imaging at the same level of coverage as screening mammograms. Status: Set on Senate Orders.
- HB 432 – Provides for the regulation of pharmacy services administrative organizations. Status: Voluntarily Deferred in House Insurance.

OFFICE OF HEALTH, LIFE & ANNUITY
LOUISIANA HEALTH CARE COMMISSION

- SB 41 – Provides relative to the regulation of pharmacy benefit managers/PBM Omnibus bill. Status: Pending before the Senate.
- SB 173 – Provides for the Healthcare Coverage for Louisiana Families Protection Act. Status: Passed House; Awaiting Enrollment.
- SB 219 – Requires health insurance policies to adhere to certain standards. Status: Failed to Pass the Senate.

Next, LHCC's chairman commented regarding HB 119. He questioned whether or not the payer is required to provide a list of covered medications to patients when they are denied for non-formulary status. LHCC's member representing the Louisiana State Medical Society stated that in working with Blue Cross an amendment was made for providers to make a request using the patient's Electronic Health Records for a list of covered medications to be provided to the patient.

LHCC's member representing Xavier University commented on HB 345 and inquired as to whether patients will have an opportunity to opt out of genetic screening, or if it is on a voluntary basis. LHCC's chairman stated while he suspected patients could opt out of genetic testing, the question remains what this does from an insurability perspective – not only from a health insurance perspective, but also for life and disability insurance.

LHCC's member representing AARP as a volunteer representative expressed her concerns about what recourse consumers had if they were not able to access the medications they needed. LHCC's chairman stated the only relief the consumer would have would be to contact his or her payer and negotiate with its medical directors and whomever is handling the authorizations in order to access medications.

LHCC's member representing the League of Women Voters of Louisiana questioned the status of SB 173. LHCC's director stated the bill passed the Senate and is awaiting enrollment. She added that once the legislative session is over, in August, there will be another review to explain all legislation but for now it is strictly a status update.

Next, LHCC's chairman stated he would present PowerPoint slides of health legislation in the absence of department legal staff, who were away at legislative committee hearings. In addition to the bills already reviewed by LDI's assistant deputy of the Office of Health, Life & Annuity, he reviewed the following bills:

- HB 143 – Provides for rights of qualified organ transplant candidates who have a disability. Status: Enrolled.
- HB 242 – Prohibits certain claims and fees despite health insurance and pharmacy benefit managers. Status: Enrolled.
- HB 272 – Provides for insurance companies coverage for acupuncture. Status: Voluntarily Deferred in Appropriations.
- HB 352 – Authorizes health insurers to establish modern health care costs and quality programs. Status: Set on Senate Orders.
- HB 370 – Provides relative to prescription drug benefits for persons with advanced metastatic Stage 4 Cancer. Status: Set on Senate Orders.
- HB 371 – Establishes an independent dispute resolution process for out-of-network health benefit claims. Status: Voluntarily deferred in House Insurance Committee.
- HB 408 – Provides relative to group health insurance renewals. Status: Passed Senate.
- HB 412 – Provides relative to certain public assistance programs as relates to employment. Status: Failed to Pass.

OFFICE OF HEALTH, LIFE & ANNUITY

LOUISIANA HEALTH CARE COMMISSION

- HB 433 – Authorizes a pharmacist to decline to dispense a covered prescription drug if the coverage provider reimburses the pharmacy in an amount less than the drug’s acquisition cost. Status: Set on Senate Orders.
- HB 538 – Provides relative to pharmacy record audits. Status: Set on Senate Orders.
- HB 557 – Provides relative to pharmacy reimbursement. Status: Voluntarily deferred in House Insurance Committee.
- SB 48 – Provides relative to Medicaid pharmacy services. Status: Substituted by SB 239.
- SB 64 – Authorizes group health insurance providers to consent on behalf of their employees for use of electronic documents. Status: Enrolled.
- SB 73 – Provides for a dental service care provider choosing the method by which such provider shall be reimbursed by an insurer. Status: Enrolled.
- SB 75 – Provides for a dental service care provider choosing the method by which such provider shall be reimbursed by an insurer. Status: Enrolled.
- SB 164 – Provides relative to the administration of prescription drug health insurance benefits. Status: Involuntarily Deferred in House Health & Welfare.
- SB 239 – Provides relative to the Medicaid prescription drug benefit program. Status: Passed House; Awaiting Enrollment.

Next, the vice-president of provider relations and marketing for CommCare Corporation gave a presentation on CMS Innovative Care Models as a Means for Improving Quality and Controlling Costs.

Bundles/Bundled Payments

- Hospitals use bundles as incentives to reduce costs and improve quality.
- At the end of each year, hospitals either earn or lose money based on their performance.
- Device manufacturers, skilled nursing facilities and specialist groups are among those who may apply for bundles.
- Owners of bundles are looking for good home health SNF partners.
- The data is public, revealing how much cost is incurred per episode at a SNF, including length of stay.

Accountable Care Organizations

- ACOs agree to be held accountable for the quality, cost and experience of the Medicare beneficiary based on fee-for-service and the shared savings that are tracked through a number of different formats.
- The arrangements range from shared risks to shared gains and moves CMS’ payments away from volume towards value.
- CMS has a site on innovation models. It promotes accountability and coordinates items and services for Medicare beneficiaries and it encourages value.
- ACOs are much broader than a bundle.
- ACOs take every cost from Medicare beneficiaries for the whole cost of care known as population management, so providers like physicians and hospitals can create an ACO.

CMS Special Needs Plan Enrollment Requirements

- Patients require or are expected to need the level of services provided in a long-term care (LTC) or skilled nursing facility (SNF) and are expected to reside there for 90 days or longer with no expected discharge.
- Patients may reside in a LTC facility (NF), a SNF/NF, an intermediate care facility (ICF) for the developmentally disabled, in an inpatient psychiatric facility, or an assisted living facility (ALF).
- Patients are enrolled in Medicare A & B or C.

OFFICE OF HEALTH, LIFE & ANNUITY
LOUISIANA HEALTH CARE COMMISSION

- Patients must not have End Stage Renal Disease (ESRD).
- Patients must reside in plan’s service area.

Shared Savings Accountable Care Organizations

- ACOs are committed to achieving better health for individuals, better population health and lowering growth in expenditures.
- Providers and suppliers (e.g., physicians, hospitals and others involved in patient care) are offered an opportunity to create an ACO.
- An ACO agrees to be held accountable for the quality, cost and experience of care of an assigned Medicare fee-for-service beneficiary population.
- The Shared Savings Program has different tracks that allow ACOs to select an arrangement that makes the most sense for their organization.
- CMS’ payment system has moved away from volume and towards value and outcomes.
- ACOs promote accountability for a patient population.
- ACOs coordinate items and services for Medicare Fee-for-Service beneficiaries.
- ACOs encourage investment in high quality and efficient services.

Institutional Special Needs Program (ISNP)

- Special needs plans were created by Congress and implemented by the Center for Medicare and Medicaid Services (CMS) to improve care for Medicare’s most vulnerable beneficiaries.
- ISNPs restrict enrollment to Medicare Advantage (MA) eligible individuals who are institutionalized or who meet state requirements for institutionalization.
- In 2018 Congress made ISNPs permanent.
- Currently, 97 plans in the United States serve 81,000 institutionalized individuals, a 20 percent growth since 2017.
- ISNPs are based on Fee-for-Service.
- They include chronic disease focused (CSNP); Medicare/Medicaid dual eligible focused (D-SNP); and institutionalized patients (ISNP).
- ISNPs allow for focused care for complex groups.
- Louisiana does not currently have any Medicare programs that focus on long-term care nursing home residents.
- CommCare has applied for an ISNP license.

Next, LHCC’s commission member representing the Louisiana Physical Therapy Association asked how the total costs or outcomes are set since patients are not required to seek services from providers who are associated with the bundle mode. She stated there are two separate scenarios in an outpatient setting where people who have exhausted their benefits in the bundle still require services and use their regular Medicare benefits for the same services that are a part of surgery. The vice president of provider relations and marketing for CommCare Corporation stated that the targeted price is not attributed to the beneficiary but who owns the bundle.

LHCC’s commission member representing the Louisiana Physical Therapy Association further questioned how the absolute total true cost and outcomes is assessed in the event the patient is not required to see providers who were part of the bundle and could spend money with other providers associated with that care. The vice president of provider relations and marketing for CommCare Corporation stated that patients might be informed, told what to expect and be encouraged to visit these providers, but ultimately it is their choice. When asked how Medicare assessed the actual outcomes, she stated Medicare identifies the diagnosis and all of the claims the patient makes within the 90-day period of the bundle and then there is a

reconciliation. If the aggregate is above the target, it is the responsibility of the hospital to pay and not the patient.

Finally, LHCC's chairman stated that provider behavior could be changed when they are a part of a shared savings plan but it requires a lot of education to change provider behavior, especially with respect to ER visits for the Medicare population. He added educating patients is crucial to gain an understanding of where the dollars need to be spent.

Executive Committee

The executive committee for the Louisiana Health Care Commission consists of the chair, vice chair and three LHCC members representing health care providers, insurers and consumers. The mission of the Louisiana Health Care Commission Executive Committee is to plan the agenda for Louisiana Health Care Commission meetings, schedule any emergency meetings necessary between regular meetings and to propose subcommittee assignments. The Louisiana Health Care Commission Executive Committee held three meetings via conference call during this reporting period.

Annual Health Care Conference

The Annual Health Care Conference was held on October 8, 2018 at the Crowne Plaza Baton Rouge Hotel.

Panel discussions were held on a host of issues including the future of the individual health market in Louisiana, alternative approaches to cost containment, as well as how the health insurance industry will be affected by the newly released rules on Short-term Plans and Association Health Plans.

National experts included Dr. Richard Migliori, Vice President and Chief Medical Officer of United Health Group; Joseph Tuschner, Senior Health Policy Advisor of NAIC; and Marcy Buckner, Vice-president of Government Affairs for the National Association of Health Underwriters.

A diverse audience of more than 400 attendees representing health plan executives and staff, health care providers, insurance producers, government officials, employers, health care attorneys, and government relations professionals attended from Louisiana and other states.

LIFE & ANNUITY AND LONG-TERM CARE DIVISION

Pursuant to La. R.S. 22:861 and La R.S. 22:1794, the Life & Annuity and Long-Term Care Division conducts thorough reviews of all life, annuity, long-term care and viatical settlement form filings, as well as long-term rate filings, to assure compliance and approves or disapproves such filings marketed and sold to the citizens of Louisiana.

The Life & Annuity and Long-Term Care Division is responsible for performing detailed analysis and reviews for all life, annuity, long-term care and viatical settlement filings to assure compliance with all applicable state and federal laws, rules and regulations.

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

	<i>Fiscal Year</i> 2018-2019	<i>Fiscal Year</i> 2017-2018	<i>Fiscal Year</i> 2016-2017
Policy Forms, Annual Certifications, Advertisements and Rates Received			
Forms Received	4,818	3,687	3,341
Advertisements Received	125	178	141
Rates Received	252	232	160
TOTALS	5,195	4,097	3,642
Policy Forms, Annual Certifications, Advertisements and Rates Processed			
Approved	4,429	3,879	3,841
Accepted/Filed	2	0	2
Acknowledged/Informational	517	569	554
Disapproved	185	69	11
Withdrawn by Company	195	126	131
Departmental Withdrawal of Approval	0	0	0
TOTAL PROCESSED	5,328	4,643	4,539

LIFE, ANNUITY, LONG-TERM CARE AND VIATICAL SETTLEMENT FORMS RECEIVED BY COVERAGE TYPE **TABLE 23**

	<i>Fiscal Year 2018-2019</i>	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>
Life Insurance Coverage Types			
Adjustable Life	766	795	208
Credit Life	23	7	7
Endowment	21	4	2
Term Life	208	300	407
Variable Life	176	50	40
Whole Life	1,163	905	305
Life Other/Special	886	456	794
Annuity Coverage Types			
Annuities	1,092	509	1,262
Equity Indexed Annuities	304	286	267
Long-Term Care / Viatical Settlement			
Long-Term Care	504	631	301
Viatical Settlement	52	154	49
TOTALS	5,195	4,097	3,642

HELPFUL LINKS

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

Coverage to Care resources, <https://www.cms.gov/About-CMS/Agency-Information/OMH/OMH-Coverage2Care.html>. An effort to help educate consumers about their new coverage and to connect them with primary care and preventive services which are right for them.

This page is intentionally blank.



Office of Financial Solvency

OFFICE OF FINANCIAL SOLVENCY

The Office of Financial Solvency consists of two divisions:

- Financial Examinations Division
- Actuarial Division

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

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

FINANCIAL EXAMINATIONS DIVISION

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

The Financial Examinations Unit performs on-site examinations, at least once every five years as required by statute, of the financial, corporate and marketing practices of Louisiana domiciled insurers under the provisions and requirements of the Louisiana Insurance Code. Examinations may entail a review of all operations of insurers and their related transactions with affiliates or be confined to limited or targeted areas relating to the insurers' activities. The LDI commenced 28 financial examinations in Fiscal Year 2018-2019.

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 176 companies in Fiscal Year 2018-2019.

ACTUARIAL DIVISION

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

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

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

The Actuarial Division provides actuarial analysis of insurance legislation.

HELPFUL LINK

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

This page is intentionally blank.



Office of Property and Casualty

OFFICE OF PROPERTY AND CASUALTY

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

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

PROPERTY AND CASUALTY RATING DIVISION

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

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

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

If actuarial analysis does not support a proposed rate change, the rate filing will be disapproved. Additionally, if the Property and Casualty Rating Division finds that a proposed rule is not in compliance with Louisiana statutes and regulations, then the proposed rule will be disapproved. A disapproval action prohibits an insurer from implementing a proposed rate and/or rule. The insurance company can appeal the decision by the commissioner of insurance to disapprove a rate or rule filing.

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

Table 24 on page 63 represents actions taken by the Office of Property and Casualty on all rate, rule and informational filings for the current and the prior two fiscal years. The table categorizes the total number of filings as either “P&C Filings Reviewed,” “Rate Filings Reviewed by Actuarial Division,” “Rate Filings Not Reviewed by Actuarial Division” or “All Filings Reviewed Other Than Rate Filings.” The identified actions taken by the Office of Property and Casualty on these filings are “Acknowledged,” “Approved,” “Disapproved” or “Withdrawn” (by the company before the Office of Property and Casualty issues a dispositive decision).

PROPERTY AND CASUALTY LINE FILINGS TABLE 24
THREE-YEAR HISTORY

All Lines 7/1/2018 to 6/30/2019				
<i>Filing Disposition</i>	<i>P&C Filings Reviewed ¹</i>	<i>Rate Filings Reviewed by Actuarial Division ²</i>	<i>Rate Filings Not Reviewed by Actuarial Division ³</i>	<i>All Filings Reviewed Other Than Rate Filings</i>
Acknowledged	39	0	35	4
Approved	2,036	1,302	218	516
Disapproved	215	166	3	46
Withdrawn	193	129	5	59
TOTALS	2,483	1,597	261	625
All Lines 7/1/2017 to 6/30/2018				
<i>Filing Disposition</i>	<i>P&C Filings Reviewed ¹</i>	<i>Rate Filings Reviewed by Actuarial Division ²</i>	<i>Rate Filings Not Reviewed by Actuarial Division ³</i>	<i>All Filings Reviewed Other Than Rate Filings</i>
Acknowledged	28	0	25	3
Approved	2,155	1,381	198	576
Disapproved	190	153	3	34
Withdrawn	208	136	12	60
TOTALS	2,581	1,670	238	673
All Lines 7/1/2016 to 6/30/2017				
<i>Filing Disposition</i>	<i>P&C Filings Reviewed ¹</i>	<i>Rate Filings Reviewed by Actuarial Division ²</i>	<i>Rate Filings Not Reviewed by Actuarial Division ³</i>	<i>All Filings Reviewed Other Than Rate Filings</i>
Acknowledged	48	0	42	6
Approved	2,058	1,270	143	645
Disapproved	159	109	16	34
Withdrawn	190	135	4	51
TOTALS	2,455	1,514	205	736

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

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

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

Table 25 on page 64 summarizes rate filings reviewed by the Actuarial Division over the current and the prior two fiscal years. Table 25 displays the action taken on all rate filings reviewed by the Actuarial Division and the market impact of these filings as requested by the filing company compared to the market impact of these rate filings as approved by the Office of Property and Casualty.

OFFICE OF PROPERTY AND CASUALTY
PROPERTY AND CASUALTY RATING DIVISION

**TABLE 25 RATE FILINGS DOLLAR IMPACT
 THREE-YEAR HISTORY**

All Lines 7/1/2018 to 6/30/2019				
<i>Filing Disposition</i>	<i>Rate Filings Reviewed by Actuarial Division ¹</i>	<i>Percent of Total Rate Filings Reviewed</i>	<i>Requested Dollar Impact of Rate Filings</i>	<i>Approved Dollar Impact of Rate Filings</i>
Disapproved	166	10%	\$25,414,684	\$0
Total Approved	1,302	82%	\$36,845,736	\$19,400,872
Approved with Amended Rate Request ²	84	5%	\$50,545,191	\$33,078,797
All Other Approvals	1,218	76%	\$(13,699,455)	\$(13,677,925)
Withdrawn	129	8%	\$15,719,097	\$0
TOTALS	1,597	100%	\$77,979,516	\$19,400,872
All Lines 7/1/2017 to 6/30/2018				
<i>Filing Disposition</i>	<i>Rate Filings Reviewed by Actuarial Division ¹</i>	<i>Percent of Total Rate Filings Reviewed</i>	<i>Requested Dollar Impact of Rate Filings</i>	<i>Approved Dollar Impact of Rate Filings</i>
Disapproved	153	9%	\$14,584,855	\$0
Total Approved	1,378	83%	\$407,440,439	\$365,657,696
Approved with Amended Rate Request ²	136	8%	\$310,044,971	\$268,262,228
All Other Approvals	1,242	75%	\$97,395,468	\$97,395,469
Withdrawn	136	8%	\$13,141,785	\$0
TOTALS	1,667	100%	\$435,167,079	\$365,657,696
All Lines 7/1/2016 to 6/30/2017				
<i>Filing Disposition</i>	<i>Rate Filings Reviewed by Actuarial Division ¹</i>	<i>Percent of Total Rate Filings Reviewed</i>	<i>Requested Dollar Impact of Rate Filings</i>	<i>Approved Dollar Impact of Rate Filings</i>
Disapproved	109	7%	\$23,393,005	\$0
Approved	1,270	84%	\$514,465,151	\$497,008,669
Approved with Amended Rate Request ²	108	7%	\$250,132,814	\$232,675,745
All Other Approvals	1,162	77%	\$264,332,337	\$264,332,924
Withdrawn	135	9%	\$107,525,512	\$0
TOTALS	1,514	100%	\$645,383,668	\$497,008,669

1. Includes only rate filings where the review was completed in the fiscal year by the Actuarial Division for property and casualty lines regulated under La. R.S. 22:1451 et seq. (referred to as “Modified Prior Approval) and includes Workers’ Compensation Group Self-Insured Fund rate filings reviewed in accordance with La. R.S. 23:1191 et seq. and Regulation 42. It does not include rate filings made in accordance with La. R.S. 22:1464(E), 1464(A)(1) or 1451(D) (referred to respectively as “Consent-to-Rate”, “Individually Risk Rated” and “Commercial Informational”).

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

OFFICE OF PROPERTY AND CASUALTY

PROPERTY AND CASUALTY RATING DIVISION

Table 26 on page 66 summarizes rate filings over the current and the last two fiscal years by type of filing. Prior approval, consent-to-rate, individually risk rated and commercial deregulation are the only property and casualty filing types authorized in Louisiana under Title 22. In addition to Title 22, Title 23 authorizes the commissioner of insurance to review all workers' compensation group self-insured rate filings. The commissioner of insurance delegated the review of self-insured funds' rates to the Actuarial Division and since workers' compensation is a form of property and casualty these reviews are also shown in Table 26.

These provisions are as follows:

PRIOR APPROVAL

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

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

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

CONSENT-TO-RATE

Pursuant to La. R.S. 22:1464, a company may exceed the rate previously approved for use in Louisiana and charge a rate in excess of the rate on a specific risk, provided the insurer files a written application setting forth the reasons for the excess rate and obtains the approval of the commissioner. Regulation 111 sets forth the specifics relative to the time period for the submission and the elements required for a consent-to-rate filing.

INDIVIDUALLY RISK RATED

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

COMMERCIAL DEREGULATION

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

OFFICE OF PROPERTY AND CASUALTY
PROPERTY AND CASUALTY RATING DIVISION

**TABLE 26 METHODS OF RATE FILING
 THREE-YEAR HISTORY**

All Lines 7/1/2018 to 6/30/2019			
<i>Filing Type</i>	<i>Total Number of Filings Reviewed¹</i>	<i>Number of Filings Reviewed Favorably²</i>	<i>Number of Filings Not Reviewed Favorably³</i>
Modified Prior Approval Rate Filings ⁴	1,597	1,302	295
Consent-to-Rate Rate Filings ⁵	228	223	5
Individually Risk Rated Rate Filings ⁶	1	1	0
Commercial Informational Rate Filings ⁷	32	29	3
Filings Other Than Rate Filings	625	520	105
Workers' Compensation Group Self-Insured Funds ⁸	0	0	0
TOTALS: ALL FILING METHODS	2,483	2,075	408
All Lines 7/1/2017 to 6/30/2018			
<i>Filing Type</i>	<i>Total Number of Filings Reviewed¹</i>	<i>Number of Filings Reviewed Favorably²</i>	<i>Number of Filings Not Reviewed Favorably³</i>
Modified Prior Approval Rate Filings ⁴	1,667	1,378	289
Consent-to-Rate Rate Filings ⁵	205	200	5
Individually Risk Rated Rate Filings ⁶	6	2	4
Commercial Informational Rate Filings ⁷	27	21	6
Filings Other Than Rate Filings	673	579	94
Workers' Compensation Group Self-Insured Funds ⁸	3	3	0
TOTALS: ALL FILING METHODS	2,581	2,183	398
All Lines 7/1/2016 to 6/30/2017			
<i>Filing Type</i>	<i>Total Number of Filings Reviewed¹</i>	<i>Number of Filings Reviewed Favorably²</i>	<i>Number of Filings Not Reviewed Favorably³</i>
Modified Prior Approval Rate Filings ⁴	1,514	1,270	244
Consent-to-Rate Rate Filings ⁵	165	149	16
Individually Risk Rated Rate Filings ⁶	2	1	1
Commercial Informational Rate Filings ⁷	38	35	3
Filings Other Than Rate Filings	736	651	85
Workers' Compensation Group Self-Insured Funds ⁸	0	0	0
TOTALS: ALL FILING METHODS	2,455	2,106	349

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

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

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

4. See Footnote 1 for Table 26.

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

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

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

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

OFFICE OF PROPERTY AND CASUALTY
PROPERTY AND CASUALTY RATING DIVISION

Table 27 on page 68 shows the Louisiana premiums paid to insurers in 2018 along with underwriting gains and losses by line, as reported to the National Association of Insurance Commissioners.

Not all lines of business shown in Table 27 are subject to rate regulation. Lines not subject to rate regulation by the LDI include crop, federal flood, ocean marine, health and accident, aircraft and bail bonds (a subset of surety). Further, the Louisiana Workers' Compensation Corporation and surplus lines insurers are exempt from rate and form filing requirements as per La R.S. 22:446. An exception is set forth in La R.S. 22:1456 which requires that both admitted and surplus lines insurers must file all taxi cab rates with the Office of Property and Casualty for prior approval.

OFFICE OF PROPERTY AND CASUALTY
PROPERTY AND CASUALTY RATING DIVISION

**TABLE 27 LOUISIANA PROPERTY AND CASUALTY MARKET EXHIBIT OF
 UNDERWRITING GAINS AND LOSSES BY LINE OF BUSINESS
 CALENDAR YEAR 2018**

<i>Line of Business</i>	<i>(A) Direct Premium Written</i>	<i>(B) Direct Premium Earned</i>	<i>(C) Dividends Paid</i>	<i>(D) Incurred Losses & Adjustment Expenses</i>	<i>(E) Estimated Underwriting Expenses</i>	<i>(F) Estimated Other Income / (Expense)</i>	<i>(G) Estimated Underwriting Gain/(Loss), Excluding Investment Income</i>
Fire	353,385,806	349,258,282	200,999	117,306,292	115,053,421	3,528,200	120,225,769
Allied Lines	417,606,346	420,007,277	738,392	137,096,567	153,050,460	9,150,962	138,272,820
Multiple Peril Crop	80,211,407	79,387,395	-	68,387,477	8,744,721	(4,243)	2,250,954
Federal Flood	221,062,180	228,978,804	-	27,747,324	77,695,515	1,166,971	124,702,936
Private Crop	3,477,735	3,522,928	-	5,913,057	2,176,587	(120)	(4,566,836)
Private Flood	20,518,942	20,015,493	-	(5,954,619)	5,713,977	265,462	20,521,597
Farmowners Multiple Peril	14,913,060	14,412,714	-	5,663,354	5,285,134	(35,246)	3,428,980
Homeowners Multiple Peril	1,907,118,804	1,887,656,039	5,984,106	694,859,013	690,170,149	6,000,682	502,643,453
Commercial Multiple Peril (Non-Liability)	358,399,159	356,925,363	136,205	127,640,808	138,177,313	478,354	91,449,390
Commercial Multiple Peril (Liability)	137,295,504	137,715,387	31,756	105,619,136	56,137,048	(239,153)	(24,311,706)
Mortgage Guaranty	61,672,711	60,816,110	-	2,428,091	16,119,649	(6,035,290)	36,233,080
Ocean Marine	139,786,026	142,007,786	4,489	114,371,930	46,471,143	271,173	(18,568,603)
Inland Marine	439,338,966	431,882,654	171,658	184,984,624	147,089,940	425,419	100,061,851
Financial Guaranty	4,524,077	6,171,737	-	520,336	5,087,397	435,880	999,884
Medical Malpractice	93,078,493	93,187,029	2,148,062	31,906,871	41,981,629	888,596	18,039,063
Earthquake	8,046,265	8,505,551	8,694	246,222	1,685,380	12,468	6,577,723
Group Accident and Health	45,343,471	43,311,859	-	30,092,088	11,754,847	131,717	1,596,641
Credit Accident and Health	239,637	472,213	-	59,924	105,964	8,484	314,810
Other Accident and Health	25,872,163	21,520,098	295	18,849,269	7,000,322	(4,604,758)	(8,934,546)
Workers' Compensation	821,350,662	815,604,358	55,699,773	451,728,429	285,019,058	504,580	23,661,678
Other Liability-Occurrence	714,092,848	685,395,578	495,262	564,185,541	216,146,613	1,135,305	(94,296,532)
Other Liability-Claims-Made	213,479,619	208,728,510	38,792	127,628,989	71,327,596	196,823	9,929,956
Excess Workers' Compensation	53,299,122	54,268,900	-	45,041,354	15,788,598	37,111	(6,523,941)
Products Liability	41,827,613	41,417,361	2,498	19,351,815	15,433,527	190,905	6,820,426
Private Passenger Auto Liability	3,128,452,643	3,073,758,898	7,445,157	2,333,612,127	939,918,590	13,355,268	(193,861,708)
Commercial Auto Liability	631,986,366	613,269,980	72,539	701,112,982	219,489,129	2,760,177	(304,644,493)
Private Passenger Auto Physical Damage	1,694,242,077	1,679,065,958	4,026,116	935,919,424	512,046,589	6,225,587	233,299,416
Commercial Auto Physical Damage	116,866,159	113,990,732	10,490	65,160,698	41,213,831	403,228	8,008,941
Aircraft (All Perils)	33,176,169	38,415,135	-	20,046,651	12,380,019	36,086	6,024,551
Fidelity	12,817,025	12,925,119	86	15,664,611	5,293,244	(1,806)	(8,034,628)
Surety	125,234,723	126,744,308	-	34,010,575	60,334,091	(559,964)	31,839,677
Burglary and Theft	5,210,519	4,855,479	13	839,810	1,996,280	387	2,019,762
Boiler and Machinery	32,850,974	31,964,564	1,462	39,132,083	10,842,562	(13,082)	(18,024,625)
Credit	34,930,421	31,190,103	-	11,205,215	18,412,294	816,906	2,389,501
Warranty	5,111,664	6,456,849	-	5,418,146	679,726	3,420	362,396
Aggregate Write-Ins, Other Lines of Business	21,188,321	19,679,667	-	8,392,179	5,340,912	4,792	5,951,369
Totals	12,018,007,677	11,863,486,218	77,216,844	7,046,188,393	3,961,163,255	36,941,282	815,859,007

- (A) Actual Reported Louisiana Experience, 2018 Property & Casualty Annual Statement, Page 19 (State Page), column 1.
 (B) Actual Reported Louisiana Experience, 2018 Property & Casualty Annual Statement, Page 19 (State Page), column 2.
 (C) Actual Reported Louisiana Experience, 2018 Property & Casualty Annual Statement, Page 19 (State Page), column 3.
 (D) Actual Reported Louisiana Experience, 2018 Property & Casualty Annual Statement, Page 19 (State Page), columns 6 & 9.
 (E) Actual Reported Louisiana Experience - Commission & Premium Tax Expenses, 2018 P&C Annual Statement (Page 19 (State Page) , columns 11 & 12) +
 Estimated Louisiana Experience based upon Nationwide Ratio of Other Adjustment, Acquisition & General Expenses to Earned Premium (2018 Insurance
 Expense Exhibit - Part III, Columns 11, 27, & 29).
 (F) Estimated Louisiana Experience based upon Nationwide Ratio of Other Income/Expense to Earned Premium, 2018 Insurance Expense Exhibit - Part III,
 Column 31.
 (G) Calculation = Cols. B - C - D - E + F

Report Date: August 7, 2019

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

PROPERTY AND CASUALTY FORMS DIVISION

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

The forms review process emphasizes:

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

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

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

<i>Fiscal Year</i>	<i>Total Number of Forms Processed</i>
07-01-2018 to 06-30-2019	20,935
07-01-2017 to 06-30-2018	24,454
07-01-2016 to 06-30-2017	21,591

Of the total number of policy forms in Fiscal Year 2018-2019, 77 percent were approved prior to use, either by receiving LDI approval or by utilizing the Certified Approved process. Table 29 presents the numbers of approval and disapproval actions taken on all forms processed. However, Table 29 does not include numbers for forms received for informational purposes only, forms withdrawn or filings where companies adopt forms developed by rating organizations which the Property and Casualty Forms Division had previously approved for use in Louisiana.

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

<i>Fiscal Year</i>	<i>Approved</i>	<i>Disapproved</i>
07-01-2018 to 06-30-2019	16,173	2,184
07-01-2017 to 06-30-2018	18,901	2,598
07-01-2016 to 06-30-2017	15,334	2,669

LOUISIANA PROPERTY AND CASUALTY INSURANCE COMMISSION

LEGISLATIVE BACKGROUND AND PURPOSE

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

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

The LPCIC submits an annual report to the governor, commissioner of insurance and the legislature, which includes its recommendations to improve automobile, homeowners and workers’ compensation insurance based upon its research, meetings and testimony. The Louisiana Property and Casualty Insurance Commission is authorized under La. R.S. 22:2171.

MEMBERSHIP

The 24-member commission is composed of insurance industry experts and other interested parties, including national and state property insurance associations, producer associations, law enforcement, community leaders and representatives of various insurance consumer interests. Membership also includes the commissioner of insurance, representatives from the Office of the Governor, the Office of the Attorney General, the Senate and House Committees on Insurance and an appointment designated by the commissioner of insurance.

Legislative Recommendations for the 2019 Regular Session

1. Uniform Construction Code

The LPCIC recommends that the Legislature resist any efforts to weaken or diminish the current Louisiana State Uniform Construction Code and enact legislation to strengthen the Uniform Construction Code and its enforcement.

2. Distracted Driving

All forms of distracted and inattentive driving increase the risk of automobile accidents, which result in increased automobile insurance premiums. Cognitive demands of the use of hand-held devices narrow the field of vision and create distraction from the responsibilities of driving. Studies have shown that this type of distraction results in risk similar to driving with a .08 BAC and a four times greater chance of being in a traffic crash. The LPCIC recommends that the legislature ban the manual use by the operator of a motor vehicle while in motion of all electronic devices not permanently installed in the vehicle.

3. Civil Jury Threshold

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

4. Direct Action

Louisiana remains the only state in the Union with a pure direct action statute. The result is that only in Louisiana may a plaintiff name an insurance company as a defendant in a lawsuit in addition to or sometimes in lieu of the insured. The exposure of the insurer as a defendant to the trial jury is a negative factor in efforts to reduce the cost of liability insurance in Louisiana. The LPCIC recommends that the Legislature repeal the direct action statute or amend it to limit the instances for naming an insurer as a defendant to those where the insured is unable to be served with process. The LPCIC also recommends that the Legislature prohibits the reference to the name of an insurer or the retention of counsel by the insurer in a civil proceeding involving an insurer that issues a policy to a party to the suit.

5. Collateral Source Rule

Enact a statutory collateral source rule to limit the ability of a plaintiff to collect in damages the difference between medical expenses actually incurred or paid and “usual and customary” or billed charges for which the plaintiff has no liability. The LPCIC recommends that the legislature modify or eliminate the collateral source rule.

6. Opioid Abuse

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

7. Seat Belt Use Civil Justice Reform

Amend La. R.S. 32:295.1(E) to admit seat belt use as evidence as a factor for consideration by the trier of fact in accordance with our comparative negligence system.

8. Damage Recovery Civil Justice Reform

Amend La R.S. 32:866(A) to prohibit the recovery of general damages for an owner or operator of a motor vehicle who fails to maintain compulsory liability insurance.

Study Issues for 2019

1. Insurance and Technology

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

2. Cybersecurity and Insurance

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

3. Highly Automated Vehicles (HAV) and Driverless Vehicles

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

4. Federal and International Actions Affecting Insurance and Insurance Regulation

The LPCIC will monitor and study the effects of federal laws and regulations and international actions on the affordability and availability of property and casualty insurance; and monitor and study the affordability and availability of private flood insurance and proposals for increased reliance upon the private market in the renewal of the NFIP.

5. Automobile Insurance Market

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

Helpful Links

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

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

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



Division of Legal Services

DIVISION OF LEGAL SERVICES

LEGAL SERVICES

RESPONSIBILITIES AND ACTIVITIES

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

ADMINISTRATIVE HEARINGS

In Fiscal Year 2018-2019, the Division of Legal Services tracked 94 activities related to legal representation of the LDI in its enforcement and regulatory capacity. Each attorney works closely with different LDI offices and divisions to enforce the requirements of Title 22, the Louisiana Insurance Code.

Staff attorneys also serve as prosecutors for violations of the Insurance Code in legal hearings by the Division of Administrative Law. See Table 30 for the legal issues involved.

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

	<i>Fiscal Year</i> <i>2018-2019</i>	<i>Fiscal Year</i> <i>2017-2018</i>	<i>Fiscal Year</i> <i>2016-2017</i>
Bail Bond Forfeitures	36	85	194
Cease and Desist Orders	4	10	9
Failure to Pay Taxes, Fines or Assessments	1	6	3
Misappropriations	3	5	4
Misrepresentations	19	7	9
Revocation of Certificate of Authority/License	1	5	7
Unlicensed/Unauthorized Producers or Companies	5	2	3
Other	25	35	46
TOTALS	94	155	275

FINES COLLECTED

In Fiscal Year 2018-2019, the Division of Legal Services assisted the commissioner of insurance in collecting \$22,400 in fines.

La. R.S. 22:1972 requires the reporting of penalties and costs of proceedings against regulated entities which were brought under the Unfair Trade Practices Act. The Division of Legal Services reports \$3,000 in fines were imposed on regulated entities under the Unfair Trade Practices Act during Fiscal Year 2018-2019.

RULES, REGULATIONS, DIRECTIVES, ADVISORY LETTERS, BULLETINS

A list of regulations, rules, directives, advisory letters and bulletins written, amended, revised, rescinded/ repealed in Fiscal Year 2018-2019 follows.

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

Advisory Letter 2018-02: Employing or Allowing to Associate With Your Business, Any Person Engaged in the Business of Insurance Who Has Been Convicted of a Felony (July 31, 2018)

Advisory Letter 2018-03: State and Federal Regulation of Association Health Plans; U.S. Department of Labor Association Health Plan Final Rule (August 30, 2018)

Advisory Letter 2018-04: Network Provider Directory Accessibility and Accuracy (September 20, 2018)

Advisory Letter 2018-05: Notice for Surplus Lines Practices and Revision of Form Acknowledgment of Applicant for Personal Lines Insurance Coverage in the Surplus Lines Market (Revised and Reissued) (January 30, 2019)

Advisory Letter 2019-01: Notice Requirement for Non-Renewal or Cancellation of Surplus Lines Property and Casualty Insurance Policies (April 9, 2019)

Advisory Letter 2019-02: Availability of Temporary Licensing for Certain Limited Life, Health and Accident Licensees (April 26, 2019)

Advisory Letter 2019-03: Act 226 of the 2019 Regular Legislative Session (June 20, 2019)

Bulletin 2018-06: Guidance for Filing Demographic Hiring Survey (August 20, 2018)

Bulletin 2019-01: Policyholders Affected by the Federal Government Shutdown (January 25, 2019)

Bulletin 2019-02: Transitional Relief; Deadlines for Health Insurance Issuer and HMO Submissions of Forms and Rate Filings and Plan Management Binders (May 30, 2019)

Bulletin 2019-03: Request for Information From All Interested Parties Regarding Louisiana Guaranteed Benefits Pool to be Established Pursuant to ACT 412 of the 2019 Legislative Session (August 29, 2019)

DIVISION OF LEGAL SERVICES

Directive 212: Non-Discrimination Provisions of La. R.S. 22:995 (July 13, 2018)

Directive 213: Issuer Practices Regarding Small & Large Employer Enrollment (August 30, 2018)

Directive 214: Bail Bond Premium Rate (February 20, 2019)

Directive 215: ACT 61 of the 2017 Regular Legislative Session, Enacted as La. R.S. 22:1460(I)(1)(c) (March 22, 2019)

Directive 201-R: Rescission of Directive 201 (Rescinded) May 29, 2019)

Regulation 9: Deferred Payment of Fire Premiums in Connection with the Term Rule
Final Promulgation Date: March 20, 2019 (Repealed)

Regulation 16: Investment by Insurers of Part of Premium Paid, Return Guaranteed
Final Promulgation Date: March 20, 2019 (Repealed)

Regulation 33: Medicare Supplemental Insurance Minimum Standards
Final Promulgation Date: December 20, 2018 (Amendment)

Regulation 46: Long Term Care Insurance
Final Promulgation Date: February 20, 2019 (Amendment)

Regulation 60: Advertising of Life Insurance
Final Promulgation Date: August 20, 2018 (Amendment)

Regulation 78: Policy Form Filing Requirements
Final Promulgation Date: November 20, 2018 (Amendment)

Regulation 89: Suitability in Annuity Transaction
Final Publication Date: June 20, 2019 (Amendment)

Regulation 99: Certificates of Insurance
Final Promulgation Date: August 20, 2019 (Repealed)

Regulation 106: Replacement of Limited Benefit Insurance Policies
Final Promulgation Date: November 20, 2018 (Amendment)

Regulation 110: Declaratory Orders
Final Promulgation Date: November 20, 2018 (New)

Regulation 111: Consent to Rate
Final Promulgation Date: December 20, 2018 (New)

Rule 12: Transmission of Forms and Documents
Final Promulgation Date: January 20, 2019 (Amendment)

Rule 13: Special Assessment to Pay the Cost of Investigation, Enforcement, and Prosecution of Insurance Fraud
Final Promulgation Date: January 20, 2019 (Amendment)

LITIGATION DISCLOSURE ANNUAL REPORT

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

§8.1. Litigation oversight; reports to the legislature

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

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

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

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

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

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

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

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

Litigation active during the 2018 calendar year in which the LDI was the plaintiff included one case instituted during the year, seven pending, and three concluded.

DIVISION OF LEGAL SERVICES

LITIGATION DISCLOSURE ANNUAL REPORT

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

<i>Docket Number</i>	<i>Court</i>	<i>Plaintiffs (at any time)</i>	<i>Defendants (at any time)</i>	<i>Cause of Action</i>	<i>Relief Sought</i>	<i>Current Status</i>	<i>Counsel Information</i>
629200	19th JDC	Louisiana Department of Insurance	Louisiana Employers-Managed Insurance Company (LEMIC) and Employers Mutual Insurance Holding Company (EMIHC)	Receivership	Rehabilitation	Rehabilitation	Michael Charles Guy, Attorney General
628016	19th JDC	Louisiana Department of Insurance	Snider Mutual Funeral Association	Receivership	Rehabilitation	Rehabilitation	Michael Charles Guy, Attorney General
641770	19th JDC	Louisiana Department of Insurance	Paul A. Granzier, Richard N. Harman and Dental2U	Petition for Injunction Relief, Imposition of Fine and Rule to Show Cause	Temporary restraining order, and subsequently preliminary and permanent injunctions, restraining, enjoining and prohibiting defendants, engaging in any aspect of the business of insurance in the state of Louisiana and to impose fine.	Concluded	Mary Jones, Attorney 4, Louisiana Department of Insurance
641353	19th JDC	Louisiana Department of Insurance	Affirmative Casualty Insurance Company	Rehabilitation	Rehabilitation	Liquidation	Michael Charles Guy, Attorney General
641928	19th JDC	Louisiana Department of Insurance	Louisiana Health Cooperative	Rehabilitation	Rehabilitation	Rehabilitation	Michael Charles Guy, Attorney General
650039	19th JDC	Louisiana Department of Insurance	Sabine Mutual Benevolent Funeral Association	Rehabilitation	Rehabilitation	Rehabilitation	Walter Corey, Attorney 4 Louisiana Department of Insurance
646352	19th JDC	Louisiana Department of Insurance	Blackwell and Golden Funeral Association	Rehabilitation	Rehabilitation	Rehabilitation	Walt Corey, Attorney 4, Louisiana Department of Insurance
660611	19th JDC	Louisiana Department of Insurance	Pride of Carroll Life Insurance	Rehabilitation	Rehabilitation	Rehabilitation	Walt Corey, Attorney 4, Louisiana Department of Insurance
671699	19th JDC	Louisiana Department of Insurance	Excalibur National Insurance Company and Excalibur National Holdings, Inc	Rehabilitation	Rehabilitation	Concluded	Michael Charles Guy, Attorney General
668622	19th JDC	Louisiana Department of Insurance	Blair’s Bail Bonds et al.	Declaratory Judgement	Judicial Interpretation of LA Insurance Laws	Concluded	Ed Markle, Contract Attorney

DIVISION OF LEGAL SERVICES
LITIGATION DISCLOSURE ANNUAL REPORT

<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>
686310	19th JDC	Louisiana Department of Insurance	Brookwood Properties, L.L.C. and Brookwood Capital, L.L.C.	Petition for Declaratory Judgment and Injunctive Relief	Judgment declaring that protection plan sold by defendants constitutes insurance as defined under Louisiana law and that Brookwood and its agents are required to be licensed to sell insurance. Permanent injunction enjoining and prohibiting Brookwood from offering for sale its Protection Plan or any other similar insurance policy without fully complying with Louisiana law.	Performing Discovery	Taylor, Porter Brooks and Phillips, L.L.P., Harry J. Phillips, Jr. and Sarah N. White

HELPFUL LINKS

Regulatory documents issued during 2018-2019 can be found here, <https://www.ldi.la.gov/onlineservices/documentsearch/>

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

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

This page is intentionally blank.



Division of Insurance Fraud

DIVISION OF INSURANCE FRAUD

The Division of Insurance Fraud consists of two units:

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

FRAUD AND BACKGROUND INVESTIGATIONS

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

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

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

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

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

DIVISION OF INSURANCE FRAUD

FRAUD AND BACKGROUND INVESTIGATIONS

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

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

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

CLAIMS FRAUD

The Division of Insurance Fraud received 2,280 reports of suspected fraudulent claims during Fiscal Year 2018-2019. 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 35,367 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 1,801 claim fraud investigations to the State Police during the fiscal year. There were 203 arrests resulting in 284 charges for numerous crimes as a result of criminal referrals related to suspected fraudulent insurance claims. Those charges are categorized in Table 33.

PRODUCER, ADJUSTER AND COMPANY FRAUD

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

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

**TABLE 32 ACTIONS TAKEN REGARDING PRODUCER, CLAIMS ADJUSTER AND COMPANY FRAUD
 THREE-YEAR HISTORY**

	<i>Fiscal Year 2018-2019</i>	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>
Number of Investigations Opened	124	125	136
Cease and Desist Orders Served	10	9	1
Notices of Proposed Action Served	17	24	8
Criminal Referrals to Law Enforcement	8	2	7
Arrests Made as a Result of Criminal Referrals	0	0	1

DIVISION OF INSURANCE FRAUD
FRAUD AND BACKGROUND INVESTIGATIONS

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

<i>Category</i>	<i>Number of Charges*</i>	<i>Percent of Crimes</i>
Insurance Fraud	121	42.6%
Automobile Insurance Fraud	75	26.4%
Filing False Public Records	21	7.3%
Injuring Public Records	14	4.8%
Felony Theft	12	4.2%
Forgery	8	2.8%
Contributing to the Delinquency of a Juvenile	8	2.8%
Criminal Conspiracy	5	1.8%
Medical Insurance Fraud	4	1.4%
Money Laundering	3	1.1%
Computer Fraud	2	0.7%
Filing a False Police Report	2	0.7%
Identity Theft	2	0.7%
Prohibited Activities and Sanctions	2	0.7%
Accessories After the Fact	1	0.4%
Criminal Damage to Property with Intent to Defraud	1	0.4%
Cultivation of Marijuana	1	0.4%
False Auto Theft Affidavit	1	0.4%
Perjury	1	0.4%

*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

DIVISION OF INSURANCE FRAUD

FRAUD AND BACKGROUND INVESTIGATIONS

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

**TABLE 34 BACKGROUND INVESTIGATIONS
THREE-YEAR HISTORY**

	<i>Fiscal Year 2018-2019</i>	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>
Company Applications Received	117	132	130
Company Applications Approved	116	131	127
Company Biographical Affidavits Received	890	1,012	988
Company Biographical Affidavits Approved	843	994	977

18 U.S.C. § 1033 CONSENT

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

ANTI-FRAUD PLAN FILINGS

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

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

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

Louisiana Automobile Theft and Insurance Fraud Prevention Authority

Legislative Background

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

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

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

PURPOSE

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

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

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

DIVISION OF INSURANCE FRAUD

LOUISIANA AUTOMOBILE THEFT AND INSURANCE FRAUD PREVENTION AUTHORITY

INITIATIVES

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

The Louisiana Automobile Theft and Insurance Fraud Prevention Authority's education initiative in Fiscal Year 2018-2019 included outreach to school districts as well as continued work in the community. This school-based program emphasizes the consequences and prevention of vehicle theft. Presentations to civic, business and professional organizations cover insurance fraud and vehicle theft prevention.

During Fiscal Year 2018-2019, the Louisiana Automobile Theft and Insurance Fraud Prevention Authority conducted a statewide public awareness campaign.

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

VEHICLE INVESTIGATION PREVENTION ENFORCEMENT RESPONSE PROGRAM

The Louisiana Automobile Theft and Insurance Fraud Prevention Authority began supporting local law enforcement agencies in 2006 when it introduced the Vehicle Investigation Prevention Enforcement Response, or VIPER, a statewide bait vehicle program implemented through a Cooperative Endeavor Agreement with the National Insurance Crime Bureau. Under the program, vehicles donated by insurance companies and equipped with systems funded by the Louisiana Automobile Theft and Insurance Fraud Prevention Authority are granted to law enforcement agencies through an application process approved by the Louisiana Automobile Theft and Insurance Fraud Prevention Authority Board of Directors. As technology has shifted, the use of bait cars by law enforcement has declined. During this reporting period, the bait vehicle program was operational in Calcasieu and Jefferson Parish. Since the Program's inception, approximately 372 arrests have been made. During Fiscal Year 2018-2019, bait vehicles were deployed a total of 138 hours, resulting in five activations and five 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 including university police departments.

During Fiscal Year 2018-2019, license plate readers were operational in Baton Rouge, New Orleans, Calcasieu, Lake Charles, Kenner, Lafayette, Causeway Bridge, the Louisiana State Police and on Louisiana State University and Southern University Baton Rouge campuses. The use of license plate readers in these locations resulted in 15,326,057 reads, 170 arrests, the recovery of 130 stolen vehicles and 80 stolen license

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

plates valued at \$1,494,744. There were \$96,322 in expenditures for the License Plate Recognition Program in Fiscal Year 2018-2019.

EDUCATION AND OUTREACH

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

This fiscal year, the educational curriculum was presented to 4,565 students in East Baton Rouge, Orleans, St. Landry and Livingston Parishes. The vehicle theft and insurance fraud prevention presentations were made to 24,245 individuals in various civic, business and professional organizations in Orleans, East Baton Rouge, Jefferson, St. Landry, Livingston, Ascension, Tangipahoa, Acadia and St. James Parishes.

FRAUD PREVENTION ACTIVITIES TABLE 35
THREE-YEAR HISTORY

	<i>Fiscal Year 2018-2019</i>	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>
VIPER (Bait Vehicle) Program			
Hours Deployed	138	398	1,619
Activations	5	9	2
Adult Arrests	9	9	1
Expenditures	\$0	\$0	\$0
License Plate Recognition Program			
Reads	15,326,057	11,502,835	1,405,951
Stolen Vehicles Recovered	130	164	84
Stolen License Plates Recovered	80	82	31
Arrests	170	199	142
Value of Recoveries	\$1,494,744	\$1,627,393	\$852,138
Expenditures	\$96,322	\$0	\$64,060
Education Program			
Middle School & High School Students	4,565	2,895	2,846
Civic Events, Expos, Fairs and Conference Attendees	24,245	13,150	4,765
TOTAL ATTENDEES	28,810	16,045	7,611

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 2018-2019, the Louisiana Automobile Theft and Insurance Fraud Prevention Authority reached approximately 24,245 people.

Since the inception of this program, outreach on vehicle theft and prevention and insurance fraud prevention has been delivered to over 100,000 individuals.

PUBLIC AWARENESS CAMPAIGN

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

MEETINGS

The Louisiana Automobile Theft and Insurance Fraud Prevention Authority's Board of Directors conducted four public meetings during this fiscal year: July 17, 2018, October 9, 2018, January 22, 2019 and April 6, 2019. All meetings were open to the public.

COLLECTIONS

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

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

At the beginning of Fiscal Year 2018-2019, there was a statutory dedicated fund balance of \$80,987.95. 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 \$5,853. Total funds for this period were \$279,137.68.

DIVISION OF INSURANCE FRAUD

LOUISIANA AUTOMOBILE THEFT AND INSURANCE FRAUD PREVENTION AUTHORITY

OBLIGATIONS

Expenditures during this fiscal year, from the fund totaled \$198,149.73. The ending fund balance for this period was \$50,962.95. At the beginning of the reporting period, there was a balance of \$139.70 under the General Cooperative Endeavor Agreement between the Louisiana Automobile Theft and Insurance Fraud Prevention Authority and the National Insurance Crime Bureau.

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

HELPFUL LINKS

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

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

This page is intentionally blank.



Office of Consumer Services

OFFICE OF CONSUMER SERVICES

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

The Market Conduct Division performs examinations and analysis of insurers to ensure that policyholders, claimants and beneficiaries are being treated fairly and in line with laws, rules and regulations. In FY 2018-2019, 40 companies were analyzed and the office conducted an examination on two companies.

COMPLAINT REPORT

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

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

OFFICE OF CONSUMER SERVICES

Complaints are investigated to determine whether the insurer or producer performed in compliance with the law and the terms and conditions of the policy. A consumer may expect payment for an item not covered by the policy or may not agree with the way a transaction was handled, but the company or producer may have acted properly and within the law. A consumer complaint may or may not result in a claim payment or premium refund from the insurer or producer, depending on the facts of the matter giving rise to the complaint. Overall, the LDI completed complaint investigations in an average of 26 days.

COMPLAINTS HANDLED AND FUNDS RECOVERED BY INSURANCE PRODUCT **TABLE 36**

<i>Fiscal year 2018-2019</i>	<i>Life, Annuity & Long-Term Care</i>	<i>Health</i>	<i>Property & Casualty</i>	<i>Total</i>
Complaints Received	465	982	1,777	3,224
Amount of Benefits and Funds Recovered	\$1,667,412	\$696,735	\$3,985,292	\$6,322,439

A total of \$6,322,439 in claims payments, additional claims payments or refunds were recovered by insureds during Fiscal Year 2018-2019. The majority of complaints were in the area of property and casualty, with private passenger auto and homeowners being the most common coverage types generating complaints.

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

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

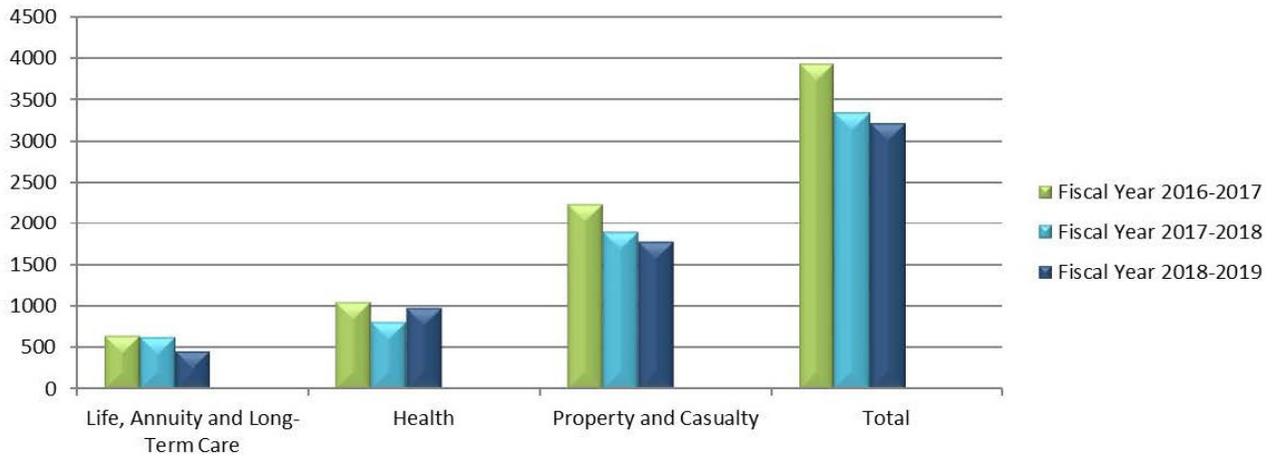
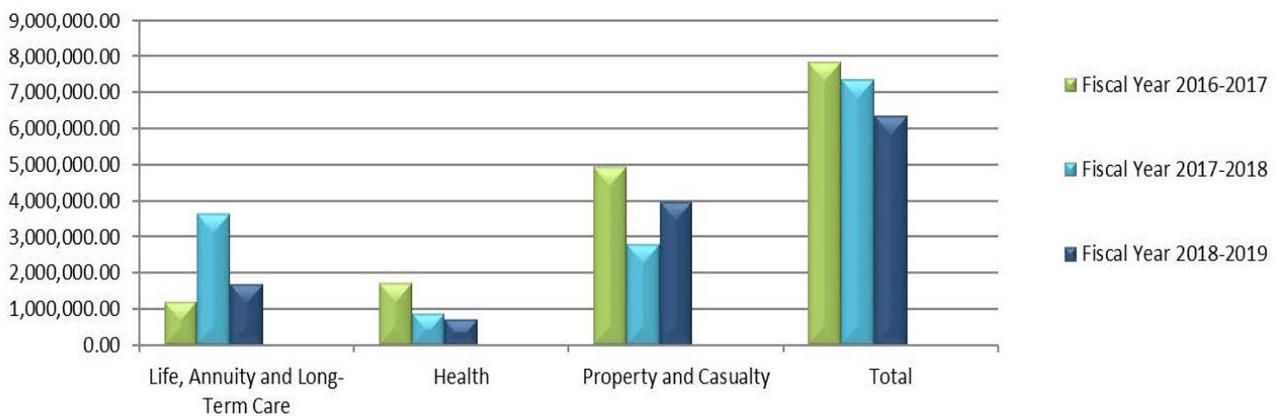


CHART 4 DOLLARS RECOVERED BY PRODUCT TYPE AND TOTAL FOR LDI THREE YEAR HISTORY



COMPLAINT DISPOSITIONS

When a file is closed, it is assigned a disposition code. Disposition codes used by the LDI are uniform with those used by other states and are in accordance with guidelines set forth by the National Association of Insurance Commissioners. For example, disposition codes favorable to the complainant are used when the company position is overturned, when additional recovery is acquired by the complainant, when a premium or rating problem is resolved in the complainant’s favor or when other similar actions occur. If a file is closed because coverage is not provided for the complainant’s loss under the policyholder’s contract, the company’s or producer’s position is upheld, or it is determined that a policy was not in force at the time of the loss, the disposition is recorded as favorable to the regulated entity. Neutral closures are reserved for withdrawn complaints, insufficient information provided, questions of fact or law, the filing of a lawsuit, or similar dispositions.

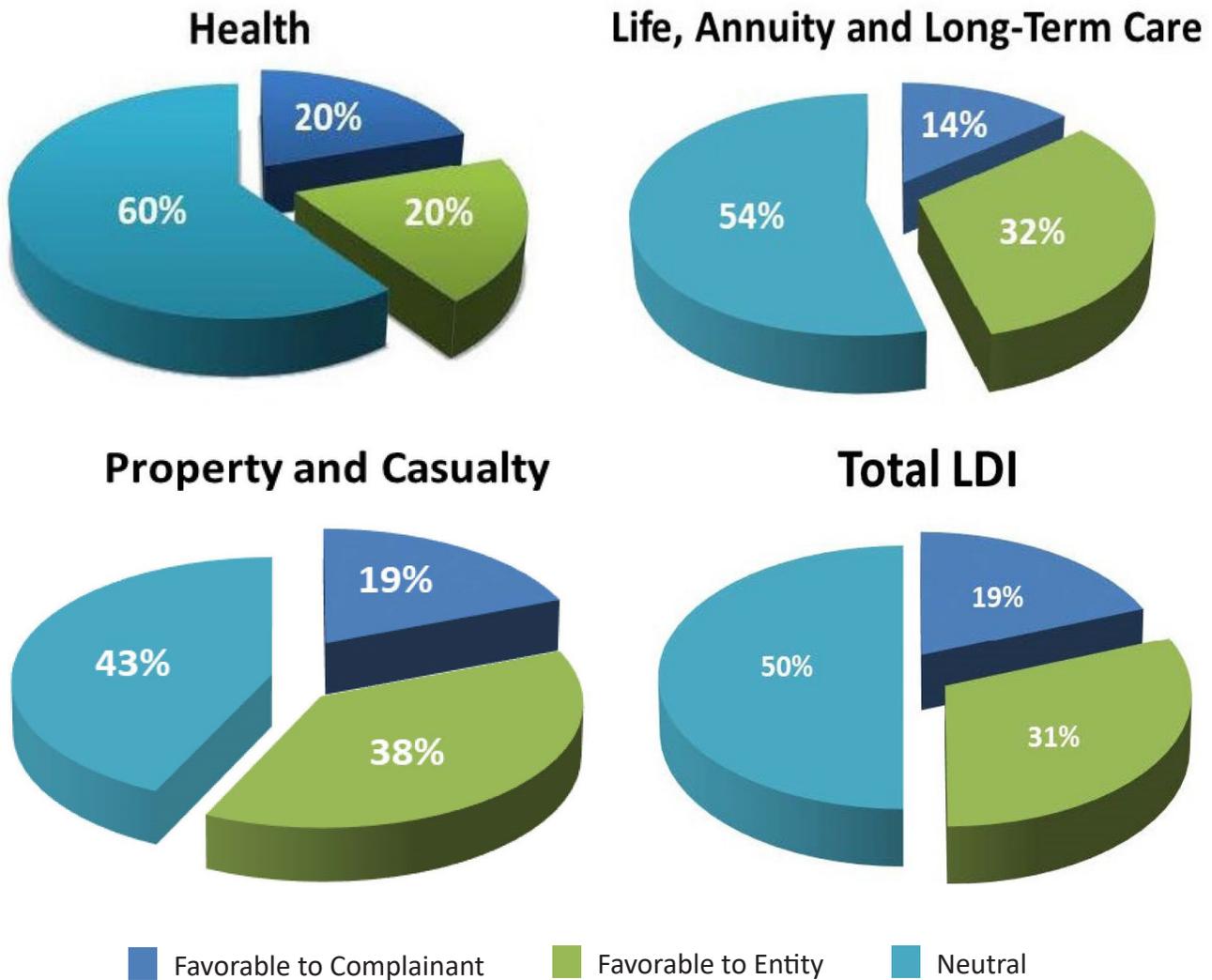
The table below provides closed complaint disposition percentages by product type and for the LDI as a whole. The dispositions include favorable to the complainant, favorable to the regulated entity the complaint is against and neutral.

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

<i>Category</i>	<i>Life, Annuity and Long-Term Care</i>	<i>Health</i>	<i>Property and Casualty</i>	<i>Total Percentage for LDI</i>
Favorable to Complainant	14%	20%	19%	19%
Favorable to Regulated Entity	32%	20%	38%	31%
Neutral	54%	60%	43%	50%
	100%	100%	100%	100%

Charts 5-8 on page 98 provide a visual representation of the complaint dispositions shown in Table 37.

CHARTS 5-8 CLOSED COMPLAINT DISPOSITIONS



HELPFUL LINKS

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

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



Appendices

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

APPENDIX A

INSURANCE TERMS

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

SOURCE

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

GENERAL TERMS

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

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

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

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

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

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

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

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

APPENDIX A – INSURANCE TERMS

LINES OF BUSINESS

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

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

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

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

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

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

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

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

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

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

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

APPENDIX A – INSURANCE TERMS

LINES OF BUSINESS

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

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

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

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

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

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

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

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

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

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

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

Inland Marine: transit over land.

APPENDIX A – INSURANCE TERMS

LINES OF BUSINESS

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

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

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

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

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

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

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

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

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

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

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

This page is intentionally blank.

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, 2018

Line #	Line of Business	Direct Premium Written	Direct Premium Earned	Dividends Paid on Direct Business	Direct Unearned Premium Reserve	Direct Loss Paid (Deducting Salvage)	Direct Losses Incurred
01	Fire	353,385,806	348,258,282	200,999	169,073,916	82,854,057	109,207,594
02.1	Allied Lines	417,606,346	420,007,277	738,392	189,570,269	101,374,772	99,201,068
02.2	Multiple Peril Crop	80,211,407	79,387,395	-	4,194,928	73,865,370	68,414,388
02.3	Federal Flood	221,062,180	228,978,804	-	129,298,355	34,033,369	24,708,047
02.4	Private Crop	3,477,735	3,522,928	-	24,390	6,607,490	5,912,288
02.5	Private Flood	20,518,942	20,015,493	-	8,954,512	9,321,123	(5,954,619)
03	Farmowners Multiple Peril	14,913,060	14,412,714	-	7,095,715	6,082,290	5,415,722
04	Homeowners Multiple Peril	1,907,118,804	1,887,656,039	5,984,106	967,167,450	662,226,650	659,298,775
05.1	Commercial Multiple Peril (Non-Liability)	358,399,159	356,925,363	136,205	161,398,226	100,213,461	124,923,444
05.2	Commercial Multiple Peril (Liability)	137,295,504	137,715,387	31,756	62,364,187	70,771,281	78,727,470
06	Mortgage Guaranty	61,672,711	60,816,110	-	22,796,780	16,263,599	2,386,849
08	Ocean Marine	139,786,026	142,007,786	4,489	60,560,042	106,826,914	94,247,872
09	Inland Marine	439,338,966	431,882,654	171,658	126,661,975	210,903,823	181,705,693
10	Financial Guaranty	4,524,077	6,171,737	-	38,578,539	1,392,937	(1,637,922)
11	Medical Malpractice	93,078,493	93,187,029	2,148,062	41,645,874	20,333,772	13,731,854
12	Earthquake	8,046,265	8,505,551	8,694	2,162,655	76,806	212,193
13	Group Accident and Health	45,343,471	43,311,859	-	17,415,284	28,118,945	29,769,453
14	Credit Accident and Health	239,637	472,213	-	196,192	193,801	60,097
15.1	Collectively Renewable Accident and Health	753	779	-	97	-	(329)
15.2	Non-Cancelable Accident and Health	-	4,024	-	15,353	-	-
15.3	Guaranteed Renewable Accident and Health	13,020,210	8,872,338	-	74,898,670	10,079,932	10,788,535
15.4	Non-Renewable Accident and Health	3,978,923	3,991,407	295	1,881,054	1,585,048	1,624,323
15.5	Other Accident Only	2,690,459	2,466,295	-	469,005	29,253	1,272,941
15.6	Medicare Title XVIII	-	-	-	-	-	-
15.7	All Other Accident and Health	5,557,165	5,560,229	-	388,740	2,326,430	2,511,797
15.8	Federal Employees Health Benefits Program	-	-	-	-	-	-
16	Workers' Compensation	821,350,662	815,604,358	55,699,773	278,281,483	428,943,330	386,833,271
17.1	Other Liability-Occurrence	714,092,848	685,395,578	495,262	352,921,095	406,575,973	441,830,156
17.2	Other Liability-Claims-Made	213,479,619	208,728,510	38,792	111,489,975	73,133,648	92,274,439
17.3	Excess Workers' Compensation	53,299,122	54,268,900	-	12,004,639	29,606,910	41,803,157
18	Products Liability	41,827,613	41,417,361	2,498	17,973,151	21,221,395	14,770,697
19.1	Private Passenger Auto No-Fault	1,866	1,866	-	841,373	465,066	650,113
19.2	Private Passenger Auto Liability	3,128,450,777	3,073,757,032	7,445,157	859,222,664	1,896,662,707	2,166,966,034
19.3	Commercial Auto No-Fault	417,503	416,140	-	193,843	292,721	(61,290)
19.4	Commercial Auto Liability	631,568,863	612,853,840	72,539	273,531,927	522,798,021	618,940,814
21.1	Private Passenger Auto Physical Damage	1,694,242,077	1,679,065,958	4,026,116	475,195,295	934,937,776	933,302,694
21.2	Commercial Auto Physical Damage	116,866,159	113,990,732	10,490	44,909,408	63,966,608	63,540,304
22	Aircraft (All Perils)	33,176,169	38,415,135	-	18,288,377	18,183,886	17,114,845
23	Fidelity	12,817,025	12,925,119	86	8,093,720	8,296,389	15,453,221
24	Surety	124,524,569	126,549,304	-	49,996,262	35,451,727	25,534,261
26	Burglary and Theft	5,210,519	4,855,479	13	2,119,365	791,850	778,202
27	Boiler and Machinery	32,850,974	31,964,564	1,462	13,533,418	68,630,561	38,495,120
28	Credit	34,930,421	31,190,103	-	23,350,324	9,381,166	11,097,464
30	Warranty	5,111,664	6,456,849	-	11,470,051	5,557,776	5,387,981
34	Aggregate Write-Ins, Other Lines of Business	21,188,321	19,679,667	-	20,161,394	13,591,751	8,318,390
35	TOTALS	12,016,672,870	11,861,666,188	77,216,844	4,660,389,972	6,083,970,384	6,389,557,406

DATA SOURCE: 2018 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, 2018

Line #	Line of Business	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
01	Fire	85,228,949	2,417,549	3,984,921	4,873,153	45,969,783	12,528,400
02.1	Allied Lines	124,414,377	4,185,445	3,952,834	6,708,907	53,418,711	9,096,645
02.2	Multiple Peril Crop	11,317,410	104	(26,911)	8,770	6,707,304	185,026
02.3	Federal Flood	15,130,107	2,817,298	3,039,277	408,988	44,213,206	6,973,621
02.4	Private Crop	70,189	847	769	149	1,981,722	81,421
02.5	Private Flood	4,349,354	346,209	(209,506)	131,626	1,027,040	576,957
03	Farmowners Multiple Peril	3,007,166	172,106	247,632	484,402	2,373,200	700,167
04	Homeowners Multiple Peril	257,040,620	18,684,487	20,343,860	25,854,076	250,843,352	82,023,707
05.1	Commercial Multiple Peril (Non-Liability)	127,546,830	4,127,618	2,717,364	7,128,197	57,210,936	15,677,537
05.2	Commercial Multiple Peril (Liability)	250,538,423	25,789,171	26,891,666	84,518,379	24,654,762	5,625,026
06	Mortgage Guaranty	42,224,530	135,875	41,242	116,973	-	2,741,915
08	Ocean Marine	191,464,391	21,639,854	20,124,058	26,748,067	23,280,773	4,413,079
09	Inland Marine	58,319,785	2,999,534	3,278,931	3,009,173	86,074,288	14,563,816
10	Financial Guaranty	6,498,637	2,241,332	2,158,258	179,869	-	369,460
11	Medical Professional Liability	174,709,391	26,970,360	18,175,017	100,844,737	8,342,614	3,143,295
12	Earthquake	529,369	1,777	34,029	53,774	909,340	115,506
13	Group Accident and Health	17,467,543	175,102	322,635	420,909	5,675,314	1,173,980
14	Credit Accident and Health	217,605	-	(173)	619	66,172	20,791
15.1	Collectively Renewable Accident and Health	198	-	(40)	-	3	85
15.2	Non-Cancelable Accident and Health	-	-	-	-	-	32
15.3	Guaranteed Renewable Accident and Health	31,051,833	11,178	14,352	47,476	1,391,032	341,996
15.4	Non-Renewable Accident and Health	1,663,450	47	160	4,986	458,844	102,568
15.5	Other Accident Only	1,381,580	85	9,102	10,231	475,015	67,120
15.6	Medicare Title XVIII	-	-	-	-	-	-
15.7	All Other Accident and Health	2,089,556	26,745	16,853	36,525	782,699	244,437
15.8	Federal Employees Health Benefits Program	-	-	-	-	-	32
16	Workers' Compensation	2,108,387,545	62,066,166	64,895,158	253,414,587	72,756,064	62,645,340
17.1	Other Liability-Occurrence	1,534,108,807	100,049,089	122,355,385	328,736,574	104,015,948	16,214,144
17.2	Other Liability-Claims-Made	372,714,564	30,809,671	35,354,550	93,423,393	34,520,873	5,679,086
17.3	Excess Workers' Compensation	327,239,745	1,108,388	3,238,197	15,506,125	7,111,434	1,653,823
18	Products Liability	126,104,051	10,069,564	4,581,118	62,296,889	6,787,106	854,588
19.1	Private Passenger Auto No-Fault	1,736,512	64,208	89,754	134,472	166,009	44,812
19.2	Private Passenger Auto Liability	2,172,144,569	128,092,710	165,906,226	332,052,727	235,546,797	91,443,059
19.3	Commercial Auto No-Fault	321,540	129,921	4,467	68,598	57,614	19,418
19.4	Commercial Auto Liability	932,361,697	73,889,381	82,228,991	127,113,557	90,599,528	21,022,323
21.1	Private Passenger Auto Physical Damage	84,093,267	3,433,030	2,616,730	4,185,778	136,129,434	51,804,732
21.2	Commercial Auto Physical Damage	16,908,459	1,908,803	1,620,394	2,679,701	15,767,816	3,570,590
22	Aircraft (All Perils)	41,818,547	2,646,420	2,931,806	7,669,759	5,733,120	1,270,339
23	Fidelity	9,555,839	246,026	211,390	1,300,385	1,879,190	581,901
24	Surety	63,362,857	3,639,063	8,476,314	15,339,383	29,851,641	5,214,938
26	Burglary and Theft	1,058,021	28,570	61,608	248,563	1,073,194	180,179
27	Boiler and Machinery	15,798,383	614,398	636,963	318,101	2,053,549	760,997
28	Credit	5,144,170	110,447	107,751	21,377	14,616,053	923,053
30	Warranty	495,036	28,910	30,165	(276)	129,371	256,374
34	Aggregate Write-Ins, Other Lines of Business	47,125,876	37,311	73,789	179,050	2,765,817	912,865
35	TOTALS	9,266,740,778	531,714,799	600,537,086	1,506,278,729	1,377,416,668	425,819,180

DATA SOURCE: 2018 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.

This page is intentionally blank.

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, 2018**

Life Insurance					
<i>Direct Premiums and Annuity Considerations</i>	<i>Ordinary</i>	<i>Credit Life</i>	<i>Group</i>	<i>Industrial</i>	<i>Total</i>
Life Insurance	1,869,690,491	42,171,081	524,433,623	5,035,084	2,441,330,276
Annuity Considerations	2,726,695,681	-	843,735,803	-	3,570,431,480
Deposit-Type Contract Funds	56,799,102		209,542,129		266,341,231
Other Considerations	120,616,951	-	473,987,444	-	594,604,396
TOTALS	4,773,802,223	42,171,081	2,051,698,999	5,035,084	6,872,707,381
<i>Direct Dividends to Life Policyholders</i>					
Life Insurance					
Paid in Cash or Left on Deposit	23,471,832	-	564,955	3,696	24,040,484
Applied to Pay Renewal Premiums	23,314,450	-	441,527	4	23,755,981
Applied to Provide Paid-Up Additions or Shorten the Endowment or Premium-Paying Agent	143,701,184	-	28	481,643	144,182,855
Other	1,671,167	-	-	-	1,671,167
Total Life	192,158,639	-	1,006,510	485,343	193,650,492
<i>Direct Dividends to Annuity Holders</i>					
Annuities					
Paid in Cash or Left on Deposit	7,052,858	-	59,353	-	7,112,211
Applies to Provide Paid-Up Annuities	750,287	-	-	-	750,287
Other	6,976,034	-	1,540,355	-	8,516,389
Total Annuities	14,779,180	-	1,599,708	-	16,378,888
GRAND TOTALS	206,937,817	-	2,606,218	485,343	210,029,378
<i>Direct Claims and Benefits Paid</i>					
Death Benefits	1,094,251,525	11,595,510	436,564,055	10,807,085	1,553,218,178
Matured Endowments	3,318,077	-	23,727	823,472	4,165,275
Annuity Benefits	676,972,066	-	271,882,994	-	948,855,064
Surrender Values and Withdrawals for Life Contracts	3,077,977,921	-	1,197,367,817	2,095,345	4,277,441,087
Aggregate Write-Ins for Miscellaneous Direct Claims and Benefits Paid	5,354,898	-	22,822,899	6,006	28,183,803
All Other Benefits, Except Accident and Health	15,474,988	-	746,933	11,662	16,233,584
TOTALS	4,873,349,472	11,595,510	1,929,408,436	13,743,570	6,828,096,986

DATA SOURCE: 2018 Life Annual Statement (State Page) for all companies writing business in Louisiana.

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

APPENDIX C – LIFE, ACCIDENT AND HEALTH INSURANCE

LIFE INSURERS EXHIBIT OF PREMIUMS AND BENEFITS
BUSINESS IN LOUISIANA AS OF DECEMBER 31, 2018

Direct Death Benefits and Matured Endowments Incurred	Life Insurance												Total	
	Ordinary			Credit Life			Group			Industrial			Number	Amount
	Number	Amount		Number	Amount		Number	Amount		Number	Amount			
Unpaid December 31, Prior Year	7,213	156,088,953	68	1,226,425	1,544	48,757,293	(14,708)	2,383,205	(5,883)	208,455,877				
Incurred During Current Year	39,781	1,075,566,469	4,206	10,333,922	23,503	452,720,370	19,210	19,356,450	86,700	1,557,977,209				
Settled During Current Year														
By Payment in Full	37,081	1,085,049,760	4,223	10,297,436	23,932	438,620,240	15,466	19,609,346	80,702	1,553,576,782				
By Payment on Compromised Claims	39	283,515	-	-	21	385,696	-	-	60	669,211				
Totals Paid	37,120	1,085,333,275	4,223	10,297,436	23,953	439,005,936	15,466	19,609,346	80,762	1,554,245,993				
Reduction by Compromise	13	901,146	-	-	13	399,982	-	-	26	1,301,128				
Amount Rejected	98	3,024,578	-	-	28	1,506,652	1	1,000	127	4,532,230				
Total Settlements	37,231	1,089,259,000	4,223	10,297,436	23,994	440,912,570	15,467	19,610,346	80,915	1,560,079,352				
Unpaid December 31, Current Year	9,763	142,396,421	51	1,262,910	1,054	60,565,090	(10,965)	2,129,309	(97)	206,353,733				
Policy Exhibit														
In Force December 31, Prior Year	2,697,856	269,104,020,353	540,374	2,649,255,270	100,029	149,330,206,263	964,435	510,661,515	4,302,694	421,594,143,400				
Issued During Year	266,929	25,941,333,658	432,785	1,546,776,136	47,823	17,394,774,778	(223)	84,672	747,314	44,882,969,243				
Other Changes to In Force (Net)	(190,193)	(19,630,699,603)	(454,485)	(1,611,117,059)	5,437	(11,638,222,569)	(82,186)	27,508,054	(721,427)	(32,852,531,174)				
In Force December 31, Current Year	2,774,592	275,414,654,406	518,674	2,584,914,347	153,289	155,086,758,474	882,026	538,254,238	4,328,581	433,624,581,463				

Accident and Health Insurance	Dividends on Direct Business						Direct Losses Incurred	
	Direct Premiums		Direct Premium Earned		Direct Losses Paid		Direct Losses Incurred	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Group Policies	1,348,321,630	1,351,302,618	315,041	982,708,710	987,753,113			
Federal Employees Health Benefits Program	6,570,318	6,565,287	-	6,692,741	6,729,411			
Credit (Group and Individual)	33,961,217	32,150,054	-	9,596,398	9,056,375			
Collectively Renewable Policies	349,768	373,621	781	937,684	641,252			
Medicare Title XVIII	181,899,911	185,870,195	-	141,321,660	144,320,428			
Other Individual Policies								
Non-cancellable	77,570,120	76,539,254	4,845,321	65,192,531	62,558,000			
Guaranteed Renewable	489,904,697	491,860,835	1,357,447	310,926,139	326,847,280			
Non-renewable for Stated Reasons Only	6,563,174	6,741,967	134,938	2,571,648	2,415,544			
Other Accident Only	1,954,721	1,886,079	-	819,158	838,863			
All Other	23,339,190	23,551,525	802	12,474,905	12,222,599			
Totals	599,331,902	600,579,652	6,338,506	391,984,379	404,882,289			
TOTALS	2,170,434,742	2,176,841,437	6,654,328	1,533,241,570	1,553,382,874			

DATA SOURCE: 2018 Life Annual Statement (State Page) for all companies writing business in Louisiana.

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

This page is intentionally blank.

APPENDIX D

AGGREGATE HEALTH PREMIUM AND ENROLLMENT

APPENDIX D – AGGREGATE HEALTH PREMIUM AND ENROLLMENT

**HEALTH INSURANCE EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION
IN LOUISIANA AS OF DECEMBER 31, 2018**

	<i>Total</i>	<i>Individual Comprehensive</i>	<i>Group Comprehensive</i>	<i>Medicare Supplement</i>
Total Members at End of:				
Prior Year	4,976,479	175,122	468,758	46,514
First Quarter	5,085,189	168,855	468,208	45,766
Second Quarter	5,074,923	159,546	466,983	45,660
Third Quarter	5,065,449	154,681	458,677	45,801
Current Year	5,092,683	148,866	458,160	46,064
Current Year Member Months	60,681,499	1,900,252	5,561,898	548,245
Total Member Ambulatory Encounters for Year:				
Physician	23,871,570	1,410,145	4,578,438	1,157,594
Non Physician	16,679,995	774,891	2,064,812	389,488
Totals	40,551,565	2,185,036	6,643,250	1,547,082
Hospital Patient Days Incurred	1,869,971	40,905	99,704	86,520
Number of Inpatient Admissions	296,024	9,102	22,221	8,823
Health Premiums Written	15,312,287,990	1,018,913,259	2,540,704,623	116,273,437
Life Premiums Direct	1,556,546	-	-	-
Property and Casualty Premiums Written	-	-	-	-
Health Premiums Earned	15,169,336,465	1,019,510,795	2,541,225,516	116,454,512
Property and Casualty Premiums Earned	-	-	-	-
Amount Paid for Provision of Health Care Services	12,791,872,650	749,940,963	2,080,046,385	96,090,778
Amount Incurred for Provision of Health Care Services	12,750,988,587	736,107,792	2,057,342,117	90,504,804

DATA SOURCE: 2018 Health Annual Statement, Exhibit of Premiums, Enrollment and Utilization (by state), for all companies writing business in Louisiana.

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

APPENDIX D – AGGREGATE HEALTH PREMIUM AND ENROLLMENT

**HEALTH INSURANCE EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION
IN LOUISIANA AS OF DECEMBER 31, 2018**

	<i>Vision Only</i>	<i>Dental Only</i>	<i>Federal Employees Health Benefits Plan</i>	<i>Title XVIII Medicare</i>	<i>Title XIX Medicaid</i>	<i>Other</i>
Total Members at End of:						
Prior Year	258,734	344,618	73,126	289,479	2,989,915	330,213
First Quarter	274,651	361,080	72,809	290,243	3,013,785	389,792
Second Quarter	276,318	369,919	72,503	294,057	3,002,373	387,564
Third Quarter	277,727	369,390	72,501	297,454	3,006,593	382,625
Current Year	282,926	380,386	72,304	300,647	3,013,314	390,016
Current Year Member Months	3,342,028	4,428,013	870,376	3,535,564	35,851,778	4,643,345
Total Member Ambulatory Encounters for Year:						
Physician	-	-	976,985	6,089,252	9,658,544	612
Non-physician	44,543	6	412,486	3,004,213	9,987,875	1,681
Totals	44,543	6	1,389,471	9,093,465	19,646,419	2,293
Hospital Patient Days Incurred	-	-	34,814	651,506	956,209	313
Number of Inpatient Admissions	-	-	6,578	82,224	166,867	209
Health Premiums Written	20,758,373	108,569,179	415,468,526	3,402,718,636	7,474,656,110	214,225,847
Life Premiums Direct	-	-	-	-	-	1,556,546
Property/Casualty Premiums Written	-	-	-	-	-	-
Health Premiums Earned	20,756,123	97,477,713	434,689,726	3,402,734,885	7,324,642,612	211,844,583
Property/Casualty Premiums Earned	-	-	-	-	-	-
Amount Paid for Provision of Health Care Services	15,576,073	83,819,126	389,909,756	2,861,957,364	6,355,215,716	159,316,490
Amount Incurred for Provision of Health Care Services	15,790,676	85,857,178	391,440,777	2,859,952,056	6,346,442,432	167,550,755

DATA SOURCE: 2018 Health Annual Statement, Exhibit of Premiums, Enrollment and Utilization (by state), for all companies writing business in Louisiana.

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

This page is intentionally blank.

APPENDIX E

HEALTH MAINTENANCE ORGANIZATIONS

HEALTH MAINTENANCE ORGANIZATIONS EXHIBIT OF PREMIUMS AND LOSSES
BUSINESS IN LOUISIANA AS OF DECEMBER 31, 2018

NAIC Number	Company Name	Total Members	Direct Premium Written	Market Share	Cumulative Market Share	Direct Premium Earned	Direct Losses Incurred	Loss Ratio
13970	Louisiana Healthcare Connections Inc	469,583	2,280,753,808	19.19%	19.19%	2,280,753,808	1,937,961,493	84.97%
95833	United Healthcare of LA Inc	449,308	2,257,443,108	18.99%	38.18%	2,254,746,386	1,889,217,023	83.79%
95642	Humana Health Benefit Plan of LA Inc	370,692	2,000,012,643	16.82%	55.00%	2,000,006,063	1,673,886,284	83.69%
95643	Hmo LA Inc	174,538	1,141,721,694	9.60%	64.61%	1,141,674,629	898,165,165	78.67%
14064	Amerigroup LA Inc	268,431	1,114,889,569	9.38%	73.98%	1,138,831,618	964,710,111	84.71%
14143	AmeriHealth Caritas LA Inc	209,387	1,100,184,370	9.26%	83.24%	1,100,184,370	931,526,706	84.67%
13607	Peoples Health Inc	64,489	843,665,247	7.10%	90.34%	843,665,247	717,115,460	85.00%
15616	Aetna Better Health Inc	119,494	635,055,355	5.34%	95.68%	635,055,355	539,129,678	84.89%
95584	Vantage Health Plan Inc	42,621	405,350,612	3.41%	99.09%	405,350,612	332,108,085	81.93%
95173	Aetna Health Inc LA	13,198	95,878,970	0.81%	99.90%	95,652,044	75,414,618	78.84%
15550	Magellan Complete Care of LA Inc	2,649	12,425,589	0.10%	100.00%	12,425,589	9,430,058	75.89%
11 HMO's	TOTAL	2,184,390	11,887,380,965	100.00%		11,908,345,721	9,968,664,681	83.71%

DATA SOURCE: 2018 Health Annual Statement, Exhibit of Premiums, Enrollment and Utilization (by state), for all companies writing business in Louisiana.

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

APPENDIX F

TITLE INSURANCE

**TITLE INSURANCE EXHIBIT OF PREMIUMS AND LOSSES
BUSINESS IN LOUISIANA AS OF DECEMBER 31, 2018**

NAIC Number	Company Name	Domicile	Direct Premium Written			Other Income	Net Premium Earned	Direct Loss & Allocated Loss Adjustment Expenses	Direct Loss Allocated Loss Adjustment Expenses Incurred	Direct Known Claim Reserves
			Direct Operations	Non-Affiliated Agencies	Affiliated Agencies					
51527	First American Title Ins Co of LA	LA	-	49,780,741	-	1,123	49,014,894	327,742	368,318	304,044
51586	Fidelity National Title Ins Co	FL	996,549	25,251,012	3,214,098	406,780	28,978,522	1,091,634	523,470	417,343
50121	Stewart Title Guarantee Co	TX	16,678	16,110,909	71,128	352,098	16,188,715	1,002,325	1,013,401	591,433
51152	WFG National Title Insurance Co	SC	-	14,968,251	531,596	353,001	14,812,483	300,723	315,013	233,868
50229	Chicago Title Insurance Co	FL	17,258	11,031,811	1,368,669	1,095,420	12,464,105	605,451	768,354	390,879
50083	Commonwealth Land Title Insurance Co	FL	5,800	10,483,363	134,025	194,280	10,772,849	1,038,426	1,733,557	1,387,885
50814	First American Title Insurance Co	NE	1,323,992	5,245,922	8,918	3,913,096	6,653,525	1,587,225	1,584,797	2,934,246
50520	Old Republic National Title Insurance Co	FL	193,025	6,102,279	-	323,117	6,335,452	371,428	333,967	411,465
50784	Security Title Guarantee Corp Baltimore	MD	-	5,174,582	-	208,737	4,983,462	334,838	204,715	336,842
50030	US National Title Insurance Co	MS	8,411	294,832	677,352	-	878,605	57,789	214,483	216,694
16334	Pulsar Title Insurance Co Inc	LA	-	33,757	827,002	-	826,504	-	-	-
50016	Title Resources Guarantee Co	TX	-	512,036	(35,995)	15,075	490,953	(764)	(764)	-
51020	National Title Insurance Of NY Inc	NY	-	-	392,061	-	395,139	6,901	10,506	3,695
12309	Alliant National Title Insurance Co Inc	CO	-	364,939	-	-	353,019	-	-	-
51411	American Guarantee Title Insurance Co	OK	43,500	274,600	-	-	338,236	34,534	21,067	-
50050	Westcor Land Title Insurance Co	SC	18,773	191,391	-	3,391	197,817	26,424	26,424	-
50369	Investors Title Insurance Co	NC	288	3,564	-	358	232,984	4,413	7,170	5,437
50440	Real Advantage Title Insurance Co	CA	1,297	-	40,234	3,171	40,120	-	-	-
50130	North American Title Insurance Co	CA	-	41,699	-	-	39,838	-	-	-
51632	Radian Title Insurance Inc	OH	2,179	-	-	2,195	3,652	7,849	7,849	-
51578	AmTrust Title Insurance Co	NY	-	5,783	-	100	5,663	-	-	-
50792	Southern Title Insurance Corp	VA	-	-	-	-	78	-	-	-
22 Companies		TOTALS	2,627,750	145,871,471	7,229,088	6,871,942	154,006,615	6,796,938	7,132,327	7,233,831

DATA SOURCE: 2018 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, 2018

NAIC Number	Company Name	Domicile	Direct Business Only				
			Life Contracts		Accident and Health Premiums	Other Considerations	Deposit-Type Contract
			Life Insurance Premiums	Annuity Considerations			
56499	Assured Life Association	CO	3,424	300	2,164,954	-	-
57223	Baptist Life Association	NY	5,130	-	-	-	-
56030	Catholic Financial Life	WI	60,362	6,700	265	-	-
57770	Catholic Holy Family Society	IL	104,177	-	-	-	-
57347	Catholic Life Insurance	TX	567,188	1,034,187	2,253	-	385
57487	Catholic Order Of Foresters	IL	35,946	7,820	4,214	-	-
57991	Everence Association Inc	IN	246	-	2,233	-	-
56685	GBU Financial Life	PA	586	187,560	-	-	-
56154	Gleaner Life Insurance Society	MI	3,708	20,000	-	-	28
56017	Grand Lodge Benevolent Knights of America	LA	3,025	-	-	-	-
58068	Independent Order Of Foresters Us Branch	NY	8,372,258	550	75,881	-	2,185
58033	Knights Of Columbus	CT	19,673,138	-	1,447,372	-	11,503,797
57835	Knights Of Peter Claver	AL	446,437	-	-	-	-
56758	Loyal Christian Benefit Association	PA	-	-	72,628	-	-
57541	Modern Woodmen Of America	IL	4,459,764	6,015,685	-	-	-
57568	National Catholic Society Of Foresters	IL	1,311	-	-	-	-
56073	National Mutual Benefit	WI	324	-	-	-	-
56383	Order of United Commercial Travelers	OH	19,256	-	1,604,521	-	-
58009	Police & Firemens Insurance Association	IN	896,871	318,104	1,282,579	-	25,998
57622	Polish National Alliance US Of North America	IL	1,954	-	-	-	-
57657	Royal Neighbors Of America	IL	41,964	-	38,382	-	-
57142	Sons Of Norway	MN	420	100	-	-	-
58181	Supreme Council The Royal Arcanum	MA	10,155	-	800	-	-
56014	Thrivent Financial For Lutherans	WI	4,013,212	6,932,438	1,274,115	-	60,000
56006	Travelers Protective Association Of America	MO	-	-	3,472	-	-
56456	United States Letter Carriers Mutual Benefit	TN	27,645	45,718	15,266	-	-
56413	United Transportation Union Insurance Assn	OH	150,752	34,159	123,230	-	-
58017	Western Fraternal Life Association	IA	15,934	-	-	-	528
57010	William Penn Association	PA	1,074	3,440	-	-	89
56170	Womans Life Insurance Society	MI	12,452	-	-	-	137
57320	Woodmen World Life Insurance Society	NE	17,264,813	17,406,064	533,575	-	3,050,337
31 Companies		TOTALS	56,193,526	32,012,825	8,645,740	-	14,643,484

DATA SOURCE: 2018 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 2018**

<i>Fund Name</i>	<i>Premium Written</i>
LAC Self-Insured Fund (Cotton) ^(d)	\$6,107,309
Louisiana Association of Clerks of Court Risk Management Agency ^(b)	455,688
Louisiana Automobile Dealers Association SIF ^(d)	8,944,747
Louisiana Construction & Industry Self Insurers Fund ^(d)	28,157,524
Louisiana Health Care Self Insurance Fund ^(d)	11,137,802
Louisiana Homebuilders Association SIF ^(a)	24,293,517
Louisiana Hospital Association Workers' Compensation SIF ^(d)	6,193,876
Louisiana Housing Council Authorities Group SIF ^(a)	11,583,282
Louisiana Loggers Self-Insured Fund ^(d)	3,779,330
Louisiana Municipal Risk Management Agency ^(d)	24,158,750
Louisiana Public Schools Risk Management Agency ^(c)	4,848,038
Louisiana Restaurant Association SIF ^(d)	17,974,953
Louisiana Rural Parish Insurance Cooperative ^(d)	2,581,992
Police Jury Association of Louisiana ^(d)	10,701,467
Property Casualty Alliance of Louisiana ^(b)	2,398,028
TOTAL	\$163,316,303

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

^(a)As of March 31, 2018

^(b)As of June 30, 2018

^(c)As of October 1, 2018

^(d)As of December 31, 2018

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

APPENDIX I

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

APPENDIX I – REVENUE REPORT

MULTI-YEAR COMPARISON OF REVENUES BY TYPE SUMMARY

<i>Description</i>	<i>Fiscal Year 2018-2019</i>	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>
Self-Generated Fees	\$27,021,698	\$26,871,595	\$25,864,556
Assessments:			
<i>Health Insurance Portability and Accountability Act Assessment, Interest</i>	951,003	923,928	833,581
<i>Louisiana Insurance Rating Assessment</i>	80,161,595	79,827,255	82,651,998
<i>Insurance Fraud Investigation Assessment</i>	5,286,667	5,694,664	4,859,480
Total Assessments	\$86,399,265	\$86,445,847	\$88,345,059
Federal Funds	\$622,222	\$552,067	\$717,559
Miscellaneous/Other Revenue:			
<i>Louisiana Automobile Theft and Insurance Fraud Prevention Authority (Gifts, Grants, Donations), Interest</i>	7,353	3,264	1,171
<i>Income Not Available</i>	30,334	9,569	610,876
<i>Premium Taxes</i>	914,774,551	892,965,199	885,479,710
Total Other Major State Revenue	\$914,812,238	\$892,978,032	\$886,091,757
Interagency Transfers	-	-	-
TOTAL COLLECTIONS	\$1,028,855,423	\$1,006,847,541	\$1,001,018,931

APPENDIX I – REVENUE REPORT

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

Description	Revised Statute	Fee Amount	Fiscal Year 2018-2019	Fiscal Year 2017-2018	Fiscal Year 2016-2017
Certificate of Authority, Initial Certificate	22:821(B)(1), 22:269(B)(1), 22:214(B)(1)	2,500/500/25	\$68,800	\$83,000	\$149,325
Initial Examination of Insurance Companies	22:269 (B)(4)	1,000	1,500	-	-
Securities Fees-Registration of Securities	22:821(B)(6)	200	200	200	-
Filing a Charter, Other Documents and Amendments thereto	22:821(B)(8), 22:269(B)(2)	25/5	5,100	3,250	3,050
Approval Fee of Foreign or Alien Surplus Lines Insurers	22:821(B)(17)	1,050	192,150	189,000	183,944
Third Party Administrators- Licensing Fee	22:821(B)(15)(a)	500	16,000	13,500	12,200
Third Party Administrators- Annual Report Filing Fee	22:821(B)(15)(b)	300	117,350	114,300	109,800
Acquisition of Control or Merger with a Domestic Insurer- Statement Fee	22:821(B)(16)	2,500	5,150	-	5,000
Risk Purchasing Group- Registration Fee	22:821(B)(18)(a)	100	4,055	3,250	2,540
Risk Purchasing Group- Annual Renewal	22:821(B)(18)(b)	50	16,775	16,400	17,700
Viatical Settlement Broker- First Time Applicant	22:821(B)(19)(a)	50	50	-	100
Viatical Settlement Broker- Annual Renewal	22:821(B)(19)(a)	50	350	400	200
Viatical Settlement Investment Agent- Annual Renewal	22:821 (B)(19)(b)	50	(50)	-	-
Viatical Settlement Provider- First Time Applicant	22:821(B)(19)(c)	1,000	4,550	-	2,100
Vehicle Mechanical Breakdown Insurer	22:362(A)	1,500	54,025	88,500	88,050
Medical Necessity Review Organization- Licensing Fee	22:821(B)(28)(a)	1,500	-	9,050	9,050
Property Residual Value Insurer- Renewal Fee	22:382	1,500	-	1,500	1,500
Producer License- First Time Applicant, includes: 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) 22:821(B)(31), 22:1549(B)(4)&(5) 22:(B)(32), 22:1550(B)(1)(d)&(B)(2)	75+35 each addtl. line 1,000/250+20 each emp. 1,000/250+20 each emp.	2,674,793	2,584,025	2,495,714
Producer License- Additional or Renewal Company Appointment (Yearly)	22:821(B)(3)(a-d), 22:1549(D), 22:1550(D)	20	14,365,835	12,949,070	11,898,530
Producer License- Renewal Fee (every 2 years), includes: Producer Renewal Fee Specialty Limited Lines Credit Insurance Specialty Limited Lines Motor Vehicle Title Insurance	22:821 (B)(3)(a-d) 22:821 (B)(31); 22:1549 (C) 22:821 (B)(32); 22:1550 (C)	50 500/125+10 each emp. 500/125+10 each emp.	2,931,803	2,901,615	3,449,425
Producer License- Surplus Line Broker- First Time Applicant	22:821(B)(3)(e)	250	104,750	89,250	62,500
Producer License- Surplus Line Broker-Renewal Fee	22:821(B)(3)(e)	350	503,510	642,260	647,400
Producer License- Failure to File Producer License Timely (Late Fee)	22:821(B)(3)(f), 22:1547(C)(2)	50	260,250	290,920	423,725
Producer License- Continuing Education Provider/Course Application Fee	22:821(B)(29)(a-b)	250/25	48,725	57,259	52,490
Producer License-Duplicate Producer License/Name Change	22:821(B)(3)(g)	15	60	30	520
Producer License-Invalid/Bad Address	22:1547(G)	50	37,250	34,050	44,150
Managing General Agent- Initial Registration	22:821(B)(14)(a)	300	1,700	900	2,400
Managing General Agent- Annual Registration	22:821(B)(14)(b)	300	12,600	9,300	11,400

APPENDIX I – REVENUE REPORT

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

<i>Description</i>	<i>Revised Statute</i>	<i>Fee Amount</i>	<i>Fiscal Year 2018-2019</i>	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>
Managing General Agent- Insurer's Initial Notice of Appointment	22:821(B)(14)(c)	300	900	300	2,400
Managing General Agent- Insurer's Annual Notice of Appointment	22:821(B)(14)(d)	300	20,100	14,100	12,000
Company Filing of Life, Health and Accident Insurance Policy Forms- Per Product	22:821(B)(11)(a)	100	206,601	175,700	158,501
Company Filing of Property and Casualty Insurance Policy Forms- Per Product	22:821(B)(10)(a)	100	57,065	66,650	65,995
Company Filing to Adopt a Reference or Item Filing of Advisory Organizations Form Reference Filing	22:821(B)(10)(b)	20	2,375	5,350	6,340
Company Filing of Property and Casualty Insurance Policy Endorsements, Amendments, or Riders	22:821(B)(10)(c)	25	83,535	87,090	87,965
Company Filing of Life, Health and Accident Insurance Policy Forms or Health Maintenance Organization Submission- Per Product	22:821(B)(11)(a)	100	46,300	49,900	50,000
Company Filing of Medicare Supplement Insurance Premium Rates, Rate Schedule and Supporting Documents- Per Type	22:821(B)(11)(b)	100	21,800	16,800	16,800
Company Filing of Medicare Supplement Insurance Advertisements- Per Submission	22:821(B)(11)(c)	100	25,800	31,600	21,000
Health Care Conference			32,955	35,160	2,000
Financial Examination- Professional Service Contract	22:976(B), 22:308, 22:705, 22:1981, 22:1982, 22:1985, 22:1986, 22:2064, 22:2094, 22:370, 22:251, 22:256, 22:484(G), 22:462, 23:1197(C), 33:1348(B), 33:1350.2, 33:1358, 42:851(D) (Part XXVIII of Title22)		-	40,020	30,819
Market Conduct- Professional Service Contract	22:308, 22:705, 22:1985, 22:976(B)		-	63,647	-
Market Conduct- State Examiner	22:308, 22:705, 22:1985, 22:976(B)		200	200	33,463
Surplus Lines/Insurance Premium Tax- Professional Service Contract	22:308, 22:705, 22:1985, 22:976(B)		-	-	100
Annual Financial Regulation Fee/Annual Statement (Health Maintenance Organization)	22:821(B)(2), 22:269(B)(3)(a)	1,000/250	1,441,560	1,436,280	1,376,370

**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 2018-2019</i>	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>
Fines/Stipulations	22:13, 22:14, 22:16, 22:18, 22:33, 22:35, 22:68(E), 22:88(M)(1)(2)(3), 22:184, 22:216, 22:250, 22:252, 22:257, 22:269, 22:271, 22:316, 22:348, 22:371, 22:391, 22:440, 22:444: 22:456, 22:457, 22:536, 22:591, 22:597, 22:709, 22:714, 22:796, 22:833, 22:846, 22:855, 22:987, 22:1011, 22:1071, 22:1143, 22:1167, 22:1191, 22:1211, 22:1283, 22:1292, 22:1460, 22:1529, 22:1546, 22:1547, 22:1549, 22:1550, 22:1552, 22:1554, 22:1556, 22:1557, 22:1558, 22:1559, 22:1562, 22:1585, 22:1623, 22:1625, 22:1627, 22:1651, 22:1654, 22:1671, 22:1672, 22:1699, 22:1700, 22:1731, 22:1770, 22:1837, 22:1860, 22:1877, 22:1892, 22:1924, 22:1925, 22:1929, 22:1946, 22:1964, 22:1969, 22:1970, 22:1994, 22:1995, 22:2007, 22:2036, 22:2060, 22:2069, 22:2090, 22:2198, 22:2245, 22:2394, 22:2399		518,912	856,195	1,469,122
Lawsuit Fees	9:2800.7(H)	5	15	20	105
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	750	758	688
Professional Employer Organization New License	22:1748	500	14,000	13,500	14,600
Professional Employer Organization Renewal	22:1748	300	49,000	42,200	40,500
Limited Licensing for Motor Vehicle Rental Company- Initial License	22:1763(B)	500/100	310	800	100
Limited Licensing for Motor Vehicle Rental Company- Renewal	22:1763(B)	250/50	2,000	750	1,550
Service of Process	22:821(B)(22)	25	3,020	2,875	5,300
Claims Adjuster License and Registration- Business Entity- Initial License	22:821(B)(23)(a)	55	4,730	6,490	5,005
Claims Adjuster License and Registration- Business Entity- Renewal	22:821(B)(23)(a)	50	6,950	5,000	8,800
Claims Adjuster License and Registration- Resident/ Non-Resident- Initial License	22:821(B)(23)(b)	55	1,070,125	1,077,740	983,438
Claims Adjuster License and Registration- Resident/ Non-Resident- Renewal	22:821(B)(23)(b)	50	1,683,620	2,398,955	1,573,720
Claims Adjuster License and Registration- Catastrophe and Emergency Claims Adjuster	22:821(B)(23)(c)	25	2,400	30,300	21,125
Public Adjuster License- Business Entity- Initial License	22:821(B)(24)(a)	55	165	275	330
Public Adjuster License-Business Entity- Renewal	22:821(B)(24)(a)	50	450	550	750
Public Adjuster License-Resident/Non-Resident- Initial License	22:821(B)(24)(b)	55	3,300	2,860	3,630
Public Adjuster License-Resident/ Non-Resident- Renewal	22:821(B)(24)(b)	50	3,800	5,850	3,550
Risk Retention Group-Initial Registration	22:821(B)(21)	1,000	7,000	5,000	7,000
Certificate of Compliance	22:821(B)(25)	10	1,959	2,331	2,632

APPENDIX I – REVENUE REPORT

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

<i>Description</i>	<i>Revised Statute</i>	<i>Fee Amount</i>	<i>Fiscal Year 2018-2019</i>	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>
Louisiana Automobile Theft and Insurance Fraud Prevention Authority Conference		95	-	-	16,600
Filing of Vehicle Mechanical Breakdown Insurance Policies- Per Submission	22:821(B)(26)	25	-	50	1,575
Discount Medical Plan- Application	22:2394	250	4,500	3,500	3,500
Prelicensing or Continuing Education- Provider Application	22:821(B)(29)(a)	250	8,450	7,250	1,525
Prelicensing or Continuing Education- Program or Course Application	22:821(B)(29)(b)	25	425	-	-
Appraisers- First Time Applicant	22:821(B)(34)(a)	55	2,490	2,890	3,065
Appraisers- Renewal Fee	22:821(B)(34)(b)	50	600	850	855
Utilization Review Organization (other than a Health Insurance Issuer)- Application Fee	22:821(B)(36)(a)	1,500	16,500	7,500	22,500
Utilization Review Organization (other than a Health Insurance Issuer)- Annual Report Filing	22:821(B)(36)(b)	500	-	-	29,200
Independent Review Organization- Application Fee	22:821(B)(37)(a)	500	3,000	1,500	2,000
Independent Review Organization- Annual Report Filing Fee	22:281(B)(37)(b)	500	-	-	8,500
Consultant License- First Time Applicant	22:821 (B) (38) (a-b)	75	7,950	5,200	6,375
Consultant License- Producer Renewal Fee (Every Two years)	22:821 (B) (38) (a-b)	50	655	480	300
Consultant License- Failure to File License Timely (Per License) (Late Fee)	22:821 (B) (38) (a-b)	50	-	50	50
Claims Adjuster License- Failure to File License Timely (Per License) (Late Fee)	22:821 (B) (23) (d)	50	144,650	189,050	-
Viatical Settlement Provider- Annual Renewal	22:821 (B) (19) (c)	500	3,500	7,000	-
TOTAL FEES			\$27,021,698	\$26,871,595	\$25,864,556

APPENDIX I – REVENUE REPORT

MULTI-YEAR COMPARISON OF REVENUES BY TYPE ASSESSMENTS

<i>Health Insurance Portability and Accountability Act Assessment- Administrative Fund</i>	<i>Revised Statute</i>	<i>Fiscal Year 2018-2019</i>	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>
HIPAA Assessment	22:1071(D)(2)(a)	949,912	923,299	833,365
HIPAA Interest	22:1071(D)(3)(b)	1,091	629	216
TOTAL ADMINISTRATIVE FUND		\$951,003	\$923,928	\$833,581

<i>Louisiana Insurance Rating Assessment</i>	<i>Revised Statute</i>	<i>Fiscal Year 2018-2019</i>	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>
Sheriffs' Pension Fund, Municipal Police Retirement Fund, Firefighters' Retirement Fund	22:1476(A)(3)	69,489,927	66,921,052	65,007,190
Municipal Fire and Police Civil Service	22:1476(A)(2)	2,481,783	2,390,038	2,321,685
Department of Insurance	22:1476(B)	8,189,885	10,516,165	15,323,123
TOTAL LOUISIANA INSURANCE RATING ASSESSMENT		\$80,161,595	\$79,827,255	\$82,651,998

<i>Insurance Fraud Investigation Fund Assessment</i>	<i>Revised Statute</i>	<i>Fiscal Year 2018-2019</i>	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</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)	548,473	532,769	501,310
Fraud Assessment- Department of Justice - 15%	40:1428(A)	662,822	672,869	712,672
Fraud Assessment- Department of Public Safety - 75%	40:1428(A)	3,858,372	4,272,026	3,428,498
TOTAL INSURANCE FRAUD INVESTIGATION FUND ASSESSMENT		\$5,286,667	\$5,694,664	\$4,859,480

APPENDIX I – REVENUE REPORT

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

<i>Federal</i>	<i>Fiscal Year 2018-2019</i>	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>
Senior Health Insurance Information Program Grant	622,222	552,067	600,246
Premium Rate Review Grant	-	-	117,313
TOTAL FEDERAL FUNDS	\$622,222	\$552,067	\$717,559

<i>Louisiana Automobile Theft and Insurance Fraud Prevention Authority</i>	<i>Revised Statute</i>	<i>Fiscal Year 2018-2019</i>	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>
LATIFPA Fund (Gifts, Grants, Donations)	22:2133(2)	1,500	-	9
LATIFPA Fund Interest	22:2134(A)	5,853	3,264	1,162
TOTAL LATIFPA		\$7,353	\$3,264	\$1,171

<i>Income Not Available</i>	<i>Fiscal Year 2018-2019</i>	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>
Income Not Available	20,662	1,642	1,463
Income Not Available - Prior Year Accounts Receivable Collections	9,672	7,927	609,413
TOTAL INCOME NOT AVAILABLE	\$30,334	\$9,569	\$610,876

<i>Insurance Premium Taxes</i>	<i>Revised Statute</i>	<i>Fiscal Year 2018-2019</i>	<i>Fiscal Year 2017-2018</i>	<i>Fiscal Year 2016-2017</i>
Medicaid-Enrollment Managed Care Organization - Bayou Health Plan	22:842(B)	438,902,527	417,329,204	427,392,092
Life, Accident and Health	22:838, 22:842, 22:270	109,894,695	108,356,801	110,387,157
Fire Casualty and Miscellaneous	22:838, 22:831	249,672,225	255,011,367	228,414,863
Surplus Lines	22:439	73,629,665	71,313,247	75,585,652
Fireman Training	22:837	3,317,082	3,271,906	3,277,199
Fire Department	22:345	22,238,779	22,101,503	22,299,168
Penalties	22:846, 22:796, 22:440	294,666	(942,080)	1,545,545
Retaliatory	22:836	239,501	163,723	192,040
Sub-Totals		\$898,189,140	\$876,605,671	\$869,093,716
Fire Marshal	22:835	16,585,411	16,359,528	16,385,994
TOTAL INSURANCE PREMIUM TAXES		\$914,774,551	\$892,965,199	\$885,479,710



**2018-2019 ANNUAL REPORT
OF THE
LOUISIANA DEPARTMENT OF INSURANCE
WWW.LDI.LA.GOV
1-800-259-5300**