

LOUISIANA AUTOMOBILE THEFT & INSURANCE FRAUD PREVENTION AUTHORITY

Report to the Legislature

July 1, 2014-June 30, 2015



**LOUISIANA DEPARTMENT OF INSURANCE
COMMISSIONER OF INSURANCE JAMES J. DONELON**

REPORT TO THE LEGISLATURE PURSUANT TO LA. R.S. 22:2135

LOUISIANA DEPARTMENT OF INSURANCE

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LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON
COMMISSIONER



August 11, 2016

Honorable Members of the Louisiana Legislature:

The Louisiana Automobile Theft and Insurance Fraud Prevention Authority (LATIFPA) welcomes this opportunity to report its activities for the period of July 1, 2014 through June 30, 2015 pursuant to La. R.S. 22:2135.

LATIFPA, in coordination with local, state and federal agencies, works to deter automobile theft and insurance fraud. Louisiana reported 9,160 stolen vehicles in calendar year 2014. This represents a one percent increase from 2013. Nationally, Louisiana ranks 22th in vehicle thefts per capita and 24th in total vehicle thefts.

Despite the uptick in reported auto thefts statewide, LATIFPA has demonstrated great success in its efforts to reduce automobile theft and deter insurance fraud. LATIFPA's efforts include the use of bait cars and license plate recognition systems, proactive law enforcement strategies, increased public awareness and multi-agency cooperation.

The Vehicle Investigation Prevention Enforcement Response (VIPER) Program, a bait car program, has resulted in 320 arrests since the program's inception. During FY 2014-2015, bait vehicles were deployed a total of 15,432 hours, resulting in 23 activations and 80 adult arrests.

The License Plate Recognition (LPR) Program resulted in 72 adult arrests, recovery of 34 stolen license plates and 67 stolen vehicles worth an estimated value of \$588,345.

LATIFPA Education and Outreach Programs were presented to 1,232 students and 1,605 adult individuals in civic and professional organizations throughout the state.

LATIFPA's strategic marketing campaign utilized print, radio, television and billboard advertising to increase consumer awareness on methods of preventing automobile theft and combating insurance fraud.

LATIFPA will continue to develop and implement meaningful programs and strategies in furtherance of its commitment to reduce automobile theft and insurance fraud for the benefit of the citizens of Louisiana.

A handwritten signature in blue ink, appearing to read "Warren Byrd".

Warren Byrd, Chairman

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Louisiana Automobile Theft & Insurance Fraud Prevention Authority

Annual Report to the Legislature, 2014-2015

LEGISLATIVE BACKGROUND

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

LATIFPA 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, representing law enforcement officials in this state.
- » Two members, appointed by the Commissioner of Insurance, representing motor vehicle insurers doing business in this state.
- » Two members, appointed by the Commissioner of Insurance, representing purchasers of motor vehicle insurance.

PURPOSE

LATIFPA is a public agency whose purpose is to combat motor vehicle insurance fraud, including fraud by theft and other criminal acts.

In carrying out its purpose, LATIFPA 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 purposes as long as all expenditures are for a public purpose and create a public benefit proportionate to the cost.

MISSION STATEMENT

To deter and reduce vehicle theft and insurance fraud through a statewide cooperative effort of generating funds to support law enforcement, public awareness, community involvement and education initiatives.

PROBLEM ASSESSMENT

VEHICLE THEFT

The nature of automobile theft has changed drastically in recent years. Criminals are increasingly stealing vehicles in order to facilitate other crimes. Criminals are constantly changing their tactics in attempts to evade law enforcement.

A relatively new tactic used by auto thieves is vehicle cloning. Comparable to identity theft for automobiles, the criminal copies a legitimate vehicle identification number (VIN) from an unsuspecting vehicle owner and creates counterfeit VIN tags. The criminal then steals a vehicle similar to the one the VIN was copied from and then sells the vehicle to a third party that is unaware of the fraud being perpetrated.

Auto burglary has become more prevalent than traditional auto theft. A criminal might be interested in stealing a vehicle, but discover a vehicle door unlocked and valuable property inside and choose to take the property. While the criminal doesn't get away with as much value, this is much quicker and easier to turn into cash.

The top three most frequently stolen vehicles in Louisiana in 2015 were Chevrolet, Ford and GMC Pickups. A list of most frequently stolen vehicles in Louisiana can be found here: [https://www.nicb.org/theft and fraud awareness/top-vehicles-stolen-by-state](https://www.nicb.org/theft-and-fraud-awareness/top-vehicles-stolen-by-state)

Louisiana had 9,891 reported motor vehicle thefts in 2014, which ranks 22th in the nation for auto thefts per capita with an average of 213 auto thefts per 100,000 people. A full breakdown of the state-by-state averages can be found here: <https://ucr.fbi.gov/crime-in-the-u.s/2014/crime-in-the-u.s.-2014/tables/table-5>

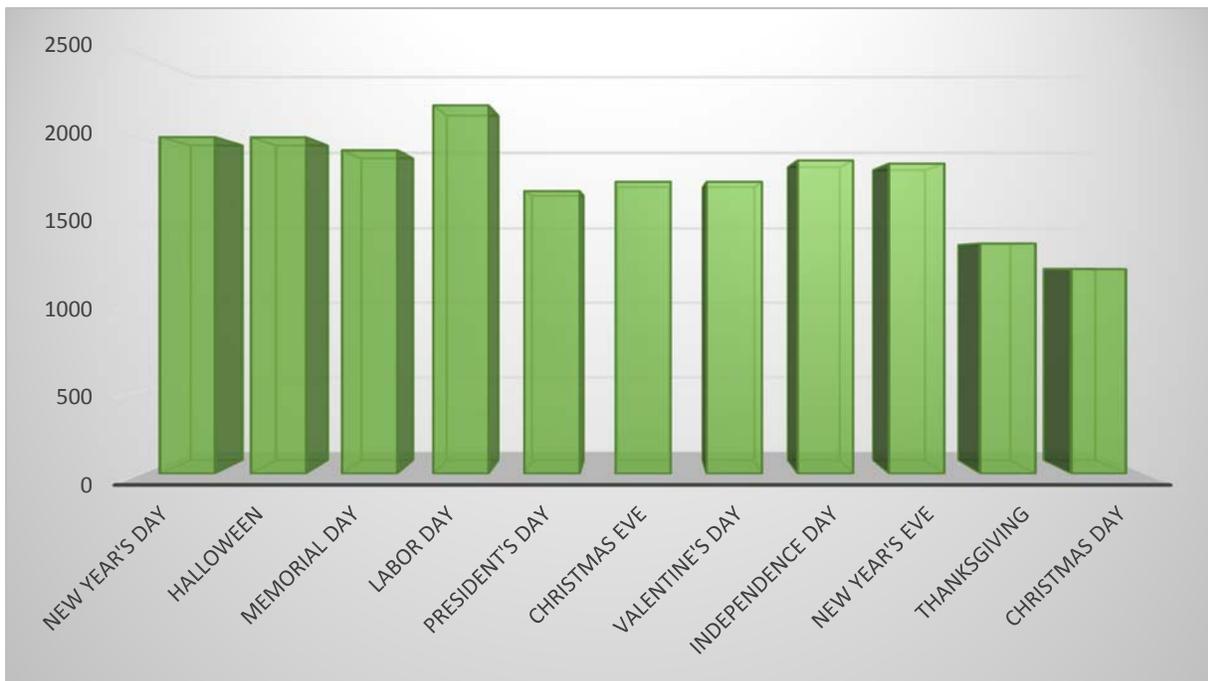
INSURANCE FRAUD

Estimates are that insurance fraud is responsible for as much as ten to fifteen percent of the insurance industry's annual losses. Insurance fraud has been a contributing factor in Louisiana's position as one of the most expensive states for automobile premiums. In 2013, the average annual Louisiana automobile combined premium of \$1307.72 was the third highest in the nation. The national average was \$954.30.

Source: *2012/2013 Auto Insurance Database Report*, National Association of Insurance Commissioners, 2015. http://www.naic.org/documents/prod_serv_statistical_aut_pb.pdf

The below chart demonstrates nationwide holiday theft statistics.

2014 Annual Holiday Vehicle Theft Report



<https://www.nicb.org/newsroom/news-releases/2015-holiday-vehicle-theft-report>

INITIATIVES

The LATIFPA issues grants to law enforcement agencies across the state under its bait vehicle and license plate recognition 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 LATIFPA education initiative, in Fiscal Year 2014-2015, included visiting schools and community outreach. This school-based program emphasizes the consequences of automobile theft and methods to prevent becoming a victim. Presentations to civic and professional organizations focus on insurance fraud and automobile theft prevention.

The LATIFPA also conducted a statewide public awareness campaign which included print, radio, television and billboard advertising.

During this reporting period, the LATIFPA 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 LATIFPA began supporting local law enforcement agencies in 2006 when it introduced the Vehicle Investigation Prevention Enforcement Response (VIPER) program, 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 LATIFPA are granted to law enforcement agencies through an application process approved by the Louisiana Automobile Theft and Insurance Fraud Prevention Authority Board of Directors.

During this reporting period, the bait vehicle program was operational in Baton Rouge, Calcasieu, New Orleans and Ouachita. Since the program's inception, approximately 320 arrests have been made. During Fiscal Year 2014-2015, bait vehicles were deployed a total of 15,432 hours, resulting in 23 activations and 23 adult arrests.

There were no expenditures for the Vehicle Investigation Prevention Enforcement Response Program this fiscal year.

LICENSE PLATE RECOGNITION PROGRAM

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

During Fiscal Year 2014-2015, license plate readers were operational in Baton Rouge, New Orleans, Calcasieu, Lake Charles and Kenner. The use of license plate readers in these locations resulted in 1,823,480 reads, 103 arrests, the recovery of 67 stolen vehicles and 34 stolen license plates valued at \$558,345.

Expenditures for the License Plate Recognition Program were \$17,374.

EDUCATION AND OUTREACH

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

This fiscal year, the educational curriculum was presented to 6,425 middle and high school students. The vehicle theft and insurance fraud prevention presentations were made to 11,701 individuals in various civic, business and professional organizations. The LATIFPA encourages groups to request this program through its presence as an exhibitor at expos, fairs and conferences.

Since the inception of this program, outreach on vehicle theft and prevention and insurance fraud prevention has been delivered to nearly 59,000 individuals.

**LATIFPA RELATED ACTIVITIES
THREE-YEAR HISTORY**

	<i>Fiscal Year 2014-2015</i>	<i>Fiscal Year 2013-2014</i>	<i>Fiscal Year 2012-2013</i>
VIPER (Bait Vehicle) Program			
Hours Deployed	15432	11,359	12,946
Adult Arrests	80	46	40
Activations	23	26	34
Expenditures	\$0	\$0	\$1,000
License Plate Recognition Program			
Reads	1,823,480	1,711,138	1,746,535
Stolen Vehicles Recovered	67	87	131
Stolen License Plates Recovered	34	41	53
Arrests	72	80	71
Value of Recoveries	\$558,345	\$552,887	\$539,850
Expenditures	\$17,374	\$17,374	\$49,933
Education Program			
School Awareness Program	6,425	1,232	1,762
Community Awareness Program	11,701	13382	11,663
TOTAL ATTENDEES	18,126	14,614	13,425

PUBLIC AWARENESS AND EDUCATIONAL CAMPAIGN

LATIFPA conducted educational and public awareness campaigns designed to inform the citizens of the state about methods of preventing motor vehicle theft and combating insurance fraud through the use of billboard and radio advertisements as well as through the distribution of informational brochures. The purposes of this campaign were to stimulate public awareness about the economic, social and public safety consequences of vehicle theft, encourage public participation in theft prevention and enforcement efforts, and encourage the use of fraud hotlines to report suspected vehicle theft and suspicious insurance fraud activity.

MEETINGS

The LATIFPA Board of Directors conducted four public meetings during this fiscal year: September 10, 2014, December 10, 2014, January 13, 2015 and April 02, 2015. A meetings of the LATIFPA Steering Committee on Equipment Purchases were held on November 11, 2014. All meetings were open to the public.

COLLECTIONS

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

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

At the beginning of Fiscal Year 2014-2015, there was a statutory dedicated fund balance of \$29,087.61. 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 \$39.00. Total funds for this period were \$216,126.61.

EXPENDITURES

Expenditures from July 1, 2014, through June 30, 2015, from the fund totaled \$195,745.00. The ending fund balance for this period was \$7,185.86. At the beginning of the reporting period, there was a balance of \$170,800.01 under the General Cooperative Endeavor Agreement between the LATIFPA and the National Insurance Crime Bureau. All administrative expenses of the LATIFPA Authority are funded with self-generated funds of the LDI.

BOARD OF DIRECTORS

Mr. Warren Byrd, Esq.

Deputy Commissioner, Office of Property and Casualty
Department of Insurance
(Designated as Chairman by the Commissioner of Insurance)

Hon. Mike Huval

Louisiana State Representative
(Appointed by the Chairman of the House Committee on Insurance)

Mr. Donnie Ladatto

Department of the Treasury
(Designee of the Treasurer)

Lieutenant Jeff Watts

Louisiana State Police
(Representative of the Louisiana State Police Insurance Fraud Unit)

Mr. Don Resweber

St. Martinville, Louisiana
(Appointed by the Chairman of the Senate Committee on Insurance)

Mr. Thomas McCormick, Esq.

Assistant Attorney General, Department of Justice
(Appointed by the Attorney General)

Mr. Cleve Franklin

Senior Special Investigator, GEICO Louisiana SIU
(Appointed by the Commissioner of Insurance)

Mr. Richard J. Hagey

SIU Manager SCLA, Louisiana Farm Bureau Insurance
(Appointed by the Commissioner of Insurance)

Mr. David Clements

Clements Insurance Services
(Appointed by the Commissioner of Insurance)

Mr. Thomas Jeter

Tyner Jeter Insurance Agency, L.L.C.
(Appointed by the Commissioner of Insurance)

Mr. Jeremy Gathe

Insurance Fraud Investigator, Department of Justice
(Appointed by the Attorney General)

STAFF

Mrs. Darie Jordan Williams

Louisiana Auto Theft and Insurance Fraud Prevention Authority
Department of Insurance

Mr. Kevin Smith, Assistant Director

Louisiana Auto Theft and Insurance Fraud Prevention Authority
Department of Insurance

ACKNOWLEDGEMENTS

The Louisiana Automobile Theft and Insurance Fraud Prevention Authority (LATIFPA) acknowledges the following companies and organizations for their support:

Blue Cross and Blue Shield of Louisiana

Coalition Against Insurance Fraud

GEICO Insurance Company

International Association of Auto Theft Investigators

LA Tech Security, L.L.C.

Louisiana Farm Bureau Casualty Insurance Company

Louisiana Association of Fire and Casualty Companies

Louisiana Attorney General

Louisiana State Police Insurance Fraud / Auto Theft Unit

MetLife Insurance

National Insurance Crime Bureau

State Farm Insurance Company

Southern Farm Bureau Casualty Insurance Company

U.S. Forensic

Veracity Research Company Investigations

Worley Companies

APPENDIX 1 – 2015 MOST STOLEN VEHICLES IN LOUISIANA

Rank	Make/Model	Year
1	Chevrolet Pickup (Full Size)	2006
2	Ford Pickup (Full Size)	2006
3	GMC Pickup (Full Size)	2006
4	Toyota Camry	2007
5	Dodge Pickup (Full Size)	2003
6	Nissan Altima	2014
7	Honda Accord	2008
8	Chevrolet Impala	2008
9	GMC Yukon	2003
10	Chevrolet Tahoe	2007

[https://www.nicb.org/theft and fraud awareness/top-vehicles-stolen-by-state](https://www.nicb.org/theft-and-fraud-awareness/top-vehicles-stolen-by-state)

APPENDIX 2 – AUTO THEFT RANK BY STATE

2013 AUTO THEFT RANK BY STATE				2014 AUTO THEFT RANK BY STATE			
RANK	STATE/TERRITORY	THEFT RATE	TOTAL STOLEN	RANK	STATE/TERRITORY	THEFT RATE	TOTAL STOLEN
1	Washington D.C.	500.3	3,234	1	Washington D.C.	574.1	3783
2	California	431.2	165,292	2	Washington	434	30,647
3	Washington	407.4	28,399	3	California	391.3	151,852
4	Nevada	358.3	9,998	4	Nevada	358.7	10,185
5	Oklahoma	291.2	11,214	5	New Mexico	301.6	6,290
6	New Mexico	283.2	5,905	6	Hawaii	273.3	3,879
7	Missouri	270.1	16,325	7	Oklahoma	272.9	10,583
8	Georgia	268.5	26,826	8	Missouri	269.8	16,357
9	South Carolina	263.5	12,580	9	South Carolina	267	12,902
10	Arizona	263.2	17,438	10	Georgia	266	26,854
11	Hawaii	262.4	3,684	11	Texas	254.3	68,546
12	Utah	257.3	7,465	12	Arizona	261.3	17,587
13	Oregon	250.9	9,862	13	Utah	248	7,298
14	Texas	248.6	65,745	14	Oregon	240.5	9,549
15	Michigan	248.3	24,567	15	Kansas	237.8	6,906
16	Nebraska	238.9	4,463	16	Nebraska	236.8	4,455
17	Colorado	237.9	12,533	17	Maryland	219.2	13,102
18	Alaska	230.6	1,695	18	Alaska	209.1	10,141
19	Kansas	229.5	6,641	19	Colorado	234.8	12,574
20	Maryland	226.3	13,418	20	Florida	214	42,579
21	Alabama	218.7	10,571	21	Michigan	213.5	21,157
22	Indiana	216.2	14,204	22	Louisiana	212.7	9,891
23	Rhode Island	212.4	2,233	23	Indiana	210.1	13,861
24	Louisiana	198	9,160	24	Alabama	209.1	10,141
25	North Dakota	195.7	1,416	25	North Dakota	204.7	1,514
26	Arkansas	191.9	5,678	26	Montana	199.6	2,043
27	Montana	182.2	1,850	27	Tennessee	192.4	12,599
28	Tennessee	182.1	11,828	28	Arkansas	188.8	5,601
29	Florida	178.6	34,912	29	Rhode Island	173.7	1,833
30	Connecticut	173	6,222	30	Wisconsin	172.3	9,919
31	Ohio	168.8	19,532	31	Connecticut	169.9	6,110
32	Illinois	162.5	20,933	32	Ohio	155.4	18,015
33	New Jersey	154.5	13,747	33	Minnesota	153.3	8,367
34	Puerto Rico	153	5,530	34	Mississippi	150.9	4,519
35	North Carolina	148.3	14,606	35	Kentucky	143.2	6,318
36	Minnesota	147	7,966	36	Illinois	135.5	17,451
37	Mississippi	146.7	4,388	37	Delaware	135.4	1,267
38	Delaware	143.9	1,332	38	North Carolina	137.1	1,514
39	Iowa	137.4	4,246	39	Iowa	133.6	4,151
40	Kentucky	137.2	6,032	40	New Jersey	131	11,705
41	Massachusetts	136.3	9,122	41	Puerto Rico	130.7	4,639
42	Wisconsin	128.6	7,388	42	Massachusetts	122.5	8,260
43	South Dakota	111	938	43	South Dakota	118	1,007
44	Pennsylvania	107.8	13,770	44	Wyoming	103.2	603
45	Virginia	103.3	8,536	45	West Virginia	102.5	1,896
46	West Virginia	103.3	1,916	46	Pennsylvania	102	13,040
47	Wyoming	99.2	578	47	Idaho	101.6	1,661
48	Idaho	95.3	1,536	48	Virginia	92.1	7,665
49	New York	78.8	15,482	49	New York	79.7	15,736
50	New Hampshire	71	940	50	New Hampshire	64.6	857
51	Maine	68.8	914	51	Maine	60.1	799
52	Vermont	69.5	435	52	Vermont	38.9	244

<https://ucr.fbi.gov/crime-in-the-u.s/2014/crime-in-the-u.s.-2014/tables/table-5>

APPENDIX 3 – 2014 AUTO THEFTS BY CITY (POPULATION EXCEEDS 10,000)

City	Population	Motor Vehicle Thefts
Abbeville	12,489	18
Alexandria	48,618	204
Baker	13,811	25
Bastrop	10,857	43
Baton Rouge	229,387	512
Bogalusa	11,960	43
Bossier City	67,469	150
Denham Springs	10,131	1
DeRidder	10,830	2
Eunice	10,328	12
Gonzales	10,426	27
Gretna	17,818	24
Hammond	20,416	2
Houma	34,129	63
Jennings	10,138	9
Kenner	67,037	135
Lafayette	125,122	406
Lake Charles	73,894	205
Mandeville	12,251	4
Minden	12,922	9
Monroe	49,900	139
Morgan City	12,020	13
Natchitoches	10,248	24
New Orleans	387,113	2,615
Opelousas	16,455	42
Pineville	14,464	41
Ruston	21,969	13
Shreveport	200,184	494
Slidell	27,624	58
Sulphur	20,084	39
Thibodaux	14,565	7
West Monroe	13,096	30
Zachary	16,125	25

[https://ucr.fbi.gov/crime-in-the-u.s/2014/crime-in-the-u.s.-2014/tables/table-8/table-8-by-state/Table 8 Offenses Known to Law Enforcement by Louisiana by City 2014.xls](https://ucr.fbi.gov/crime-in-the-u.s/2014/crime-in-the-u.s.-2014/tables/table-8/table-8-by-state/Table%208%20Offenses%20Known%20to%20Law%20Enforcement%20by%20Louisiana%20by%20City%202014.xls)

APPENDIX 4 – ANNUAL COMBINED AVERAGE AUTO INSURANCE PREMIUM

RANK	MOST EXPENSIVE	COMBINED AVERAGE PREMIUM
1	New Jersey	1,368.27
2	Washington D.C.	1,316.48
3	Louisiana	1,307.72
4	New York	1,301.48
5	Michigan	1,264.21
6	Rhode Island	1,210.54
7	Florida	1,209.74
8	Delaware	1,187.18
9	Connecticut	1,109.03
10	Massachusetts	1,080.48

RANK	LEAST EXPENSIVE	COMBINED AVERAGE PREMIUM
1	Idaho	650.57
2	Iowa	668.09
3	Maine	674.94
4	Indiana	704.48
5	South Dakota	718.57
6	Vermont	734.82
7	North Dakota	738.47
8	Ohio	738.68
9	North Carolina	738.97
10	New Hampshire	773.30

Source: *2012/2013 Auto Insurance Database Report*, National Association of Insurance Commissioners, 2015.
http://www.naic.org/documents/prod_serv_statistical_aut_pb.pdf



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