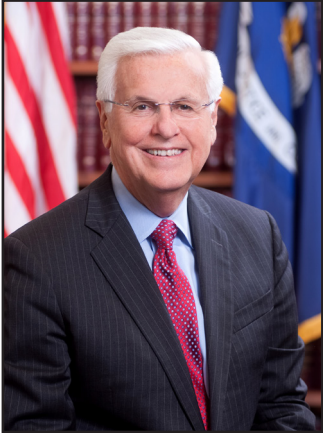


Louisiana Department of Insurance
Agency Snapshot
Fiscal Year 2021-2022

LOUISIANA DEPARTMENT OF INSURANCE WHO WE ARE & WHAT WE DO

A Message from Insurance Commissioner Jim Donelon



The LDI balances the needs of insurance consumers with the insurance industry's need to operate competitively. Our office works diligently to protect policyholders by overseeing insurer compliance with state laws and regulations while striving to build a healthy marketplace in accordance with our mission to make insurance affordable and available.

Following the destructive hurricanes in 2020, Hurricane Ida struck in 2021 and became the second-most damaging hurricane to make landfall in our state's history. Policyholders filed 478,417 claims of all types, and insurers paid or reserved to pay \$13.9 billion in insured losses.

The unprecedented losses from the worst back-to-back hurricane seasons in our state's history, plus major challenges in the Florida market and global reinsurance industry, led to the failure of several homeowners insurers doing business in Louisiana.

The LDI spent much of 2021 and 2022 working to assist the policyholders of these failed companies navigate the complexities of having their open claims transferred to the Louisiana Insurance Guaranty Association and binding a policy with Louisiana Citizens.

All the while, the LDI assisted consumers with their claims at insurance resource centers, created radio advertisements advising people how to navigate their insurance claims, and assisted them through the complaint process. During the 2022 Legislative Session, the LDI proposed a successful package of legislation to strengthen our state's property insurance market and increase consumer protections for policyholders.

I hope you find this Agency Snapshot informative, and I encourage you to contact us about any insurance-related questions or concerns at 1-800-259-5300 or visit our website at ldi.la.gov.

Advocate.

LDI works with consumer reps, industry, national regulators and officials to ensure that companies follow accepted best practices for consumer protections.

Regulate.

LDI regulates the insurance industry in our state according to the laws that have been passed by the Louisiana Legislature.

Revenue Source.

LDI collected \$1.264 billion in FY 21-22. Of this money, \$1.127 billion was classified as state general funds which are vital to the Louisiana economy.

Grow & Support.

LDI encourages job growth through outreach in schools and universities and professional development opportunities for agents.

Impacts from Hurricane Ida

Hurricane Ida tied with Hurricane Laura as the second-most destructive storm to make landfall in Louisiana. Policyholders filed 478,417 claims of all types and insurers paid or reserved to pay \$13.9 billion in insured losses.

In Fiscal Year 2020-2021, the Office of Consumer Services established a dedicated team to handle calls specifically from consumers affected by the multiple hurricane events. As of June 30, 2022, staff received 8,820 complaints, with homeowners being the highest coverage type generating complaints. The office recovered more than \$128.9 million on behalf of consumers, which is the largest recovery amount since the creation of the Office of Consumer Services in 2015.

Did you know?

The LDI's Property & Casualty Forms Division reviews policy forms submitted by insurers for compliance with statutes, rules and regulations. Each year the division processes over 15,000 forms.

Homeowners insurance rates climbed by +16% in 2022 and increased by +9% in the first six months of 2023.

Competition from dozens of insurers the LDI helped recruit after hurricanes Katrina and Rita helped keep rates in check and gives consumers choices.

Reaching Those Affected by the Hurricanes

The Office of Consumer Services investigated complaints from those affected by Hurricane Ida and the multiple hurricanes in 2020. As of June 30, 2022, the office received 8,820 complaints, with homeowners being the highest coverage type generating complaints. The office helped recover more than \$128.9 million on behalf of consumers, which is the largest recovery amount since the office was created in 2015.

Complaints Handled and Funds Recovered	
Fiscal Year 2021-2022	Includes Health; Property and Casualty; and Life, Annuity and Long-Term Care
Complaints Received	8,820
Benefits and Funds Recovered	\$128,987,203

THE OFFICE OF CONSUMER ADVOCACY AND DIVERSITY

Consumer Advocacy

The Office of Consumer Advocacy and Diversity educates and assists consumers with insurance questions and guarantees that the rights of insurance consumers in Louisiana are upheld. During Fiscal Year 2021-2022, staff coordinated with multiple agencies and organizations to provide residents with “boots-on-the-ground” services following Hurricane Ida.

Consumer Advocacy at work:

85

Speaking
Engagements

Senior Health Insurance Information Program

The Senior Health Insurance Information Program (SHIIP) works 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.

SHIIP also recruits and trains Medicare counselors statewide who are supported by local partner organizations. Looking ahead, SHIIP will work to obtain more SHIIP partners in hopes of reaching more Medicare beneficiaries and providing them with honest and reliable information. in training sessions that enable staff and partners to provide the highest quality service to beneficiaries.

SHIIP at work:

6,514

Hours
Logged

22,988

Seniors
Served

Division of Diversity & Opportunity

The Division of Diversity & Opportunity works with small, minority and disadvantaged insurance agencies to foster a better understanding of the skills and training necessary for a career in the insurance industry.

The Division of Diversity & Opportunity:

Conducted three virtual continuing education agent workshops.

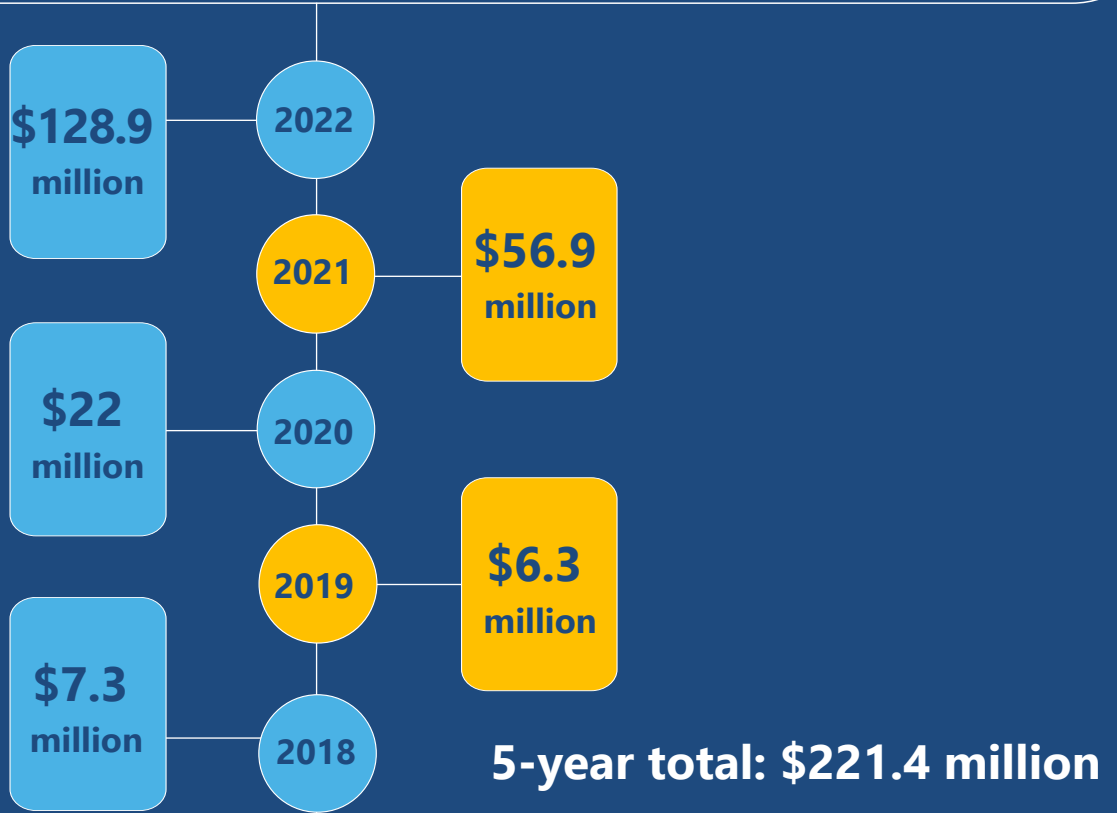
Participated in 39 workshops and seminars throughout the state.

Distributed information at a variety of events including legislative town hall meetings and church conferences.

FUNDS RECOVERED

Insurance policyholders in Louisiana are able to collect millions of dollars each year as a result of help provided by the LDI. These recovered funds come from formal complaints regarding property & casualty, health, and life & annuities products. Our staff works with company representatives to resolve complaints and helps recover money in addition to the original amounts offered by the insurance companies.

As of June 30, 2022, staff received 8,820 complaints and recovered more than \$128.9 million on behalf of consumers, which is the largest recovery amount since the Office of Consumer Services was created in 2015.



COMBATING INSURANCE FRAUD AND VEHICLE THEFT

The Division of Insurance Fraud works closely with the various offices/divisions of the LDI; other state insurance departments; and local, state and federal law enforcement agencies in their mission to reduce fraud in Louisiana.

The division investigates all forms of suspected fraud including claims fraud, producer fraud (including bail bond agents), claims adjuster fraud, company fraud and provider fraud.

Fiscal Year	Number of Cease & Desist Orders
2021-2022	40
2020-2021	32
2019-2020	12

The Louisiana Automobile Theft and Insurance Fraud Prevention Authority coordinates the License Plate Recognition Program, which grants awards of license plate recognition systems to Louisiana law enforcement entities to recover stolen vehicles.

In fiscal year 2021-2022, the License Plate Recognition Program accomplished the following:

- 88 stolen vehicles recovered
- 11 stolen license plates recovered
- 119 arrests
- \$1,009,642 in recoveries

Serving as Insurance Regulators

ACTUARIAL RATE REVIEW

Property and casualty rate filings (e.g. auto, homeowners) are reviewed by the LDI's Actuarial Division to make sure they are not excessive, inadequate or unfairly discriminatory.

Actuarial review may result in a company's filing being revised to a lesser or greater percentage change. As seen in the chart below, the LDI's actuarial review generally results in lower approved increases — and that means dollars saved by policyholders.

These figures do not include rates that are disapproved or withdrawn, only those revised as a result of the actuarial review process.

Between July 1, 2021, and June 30, 2022, policyholders filed 460,709 insurance claims of all types related to Hurricane Ida, along with other claims connected to adverse weather events. These events have put the Office of Property & Casualty on high alert as it monitors the property and casualty market and addresses questions that result from catastrophic weather conditions.

Fiscal Year	Rate Filings Reviewed and Approved	Requested Dollar Impact of Rate Filings	Approved Dollar Impact of Rate Filings	Dollar Difference Between Requested and Approved Rate Filings
2021-2022	1,345	\$592,129,424	\$542,304,826	\$49,824,598
2020-2021	1,451	\$159,021,896	\$148,546,868	\$10,475,028
2019-2020	1,429	\$(147,524,413)	\$(175,490,200)	(\$27,965,787)

PROPERTY & CASUALTY FORMS

The LDI's Property & Casualty Forms Division reviews contract forms submitted by insurers for compliance with applicable statutes, rules and regulations. In fiscal year 2021-2022, 76% of policy forms were approved prior to use, either by receiving LDI approval or by utilizing the certified approval process.

The forms review process emphasizes:

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

Forms Processed Three-Year History	
Fiscal Year	Forms Processed
2021-2022	15,759
2020-2021	18,442
2019-2020	17,404

LOUISIANA INSURANCE MARKET OVERVIEW

IMPROVEMENTS IN WORKERS' COMPENSATION



Rates have had a cumulative **drop of -63%** over the past 20 years.

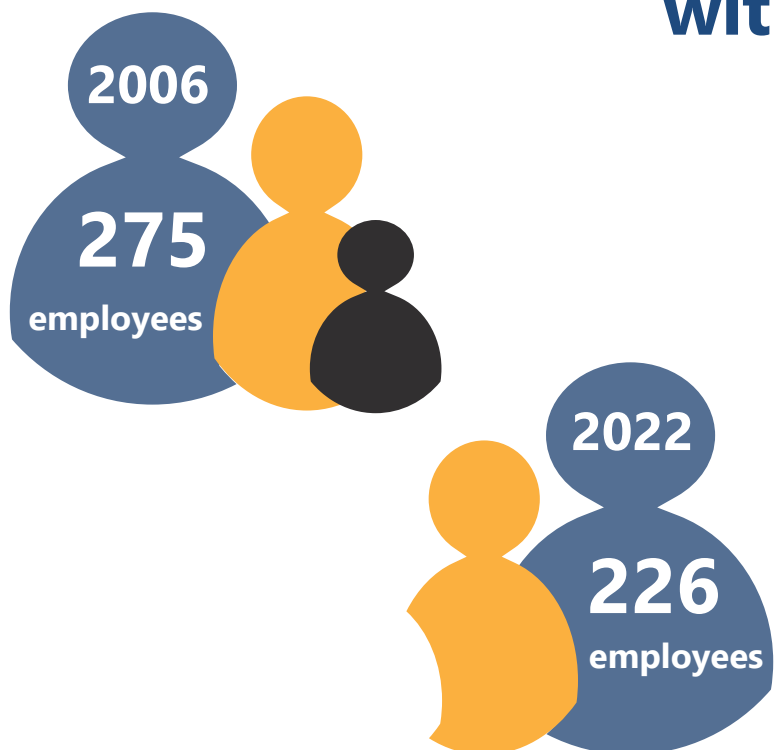
Despite rate decreases, the workers' compensation market has increased by more than 40% since 2005 with \$900 million in total premium for fiscal year 2021-2022.

These decreases resulted from increased competition in the market, improved workplace safety and better risk management practices.

There are **251** companies writing workers' comp insurance in Louisiana.

BY THE NUMBERS

Doing **MORE** with **LESS**



The LDI serves as a collection agent for many other state entities. In fiscal year 2021-2022, the LDI transferred \$1.210 billion to the state treasury and specific programs, which is an increase of 7.5% from the previous year.

More than \$137.3 million collected by the LDI went to dedicated programs including various law enforcement and firefighter retirement funds.

2023 LDI ANNUAL CONFERENCE

The Louisiana Department of Insurance (LDI) hosted its Annual Conference in March.

Held in Baton Rouge, the two-day event highlighted the Louisiana Health Care Commission, the Louisiana Automobile Theft and Insurance Fraud Prevention Authority and the Louisiana Property and Casualty Insurance Commission.

Over 500 attendees participated in multiple sessions focusing on health, fraud and property and casualty along with break-out sessions that allowed attendees to focus on variety of topics.

This year's conference also previewed the 2023 Louisiana Legislative Session, provided federal updates from the NAIC and featured sessions on health care cost transparency, contractor fraud and the benefits of FORTIFIED Homes building standards.



INFORMATION TECHNOLOGY DIVISION

The Information Technology (IT) Division provides technology support to all offices in the Department of Insurance using a mix of LDI staff and professional services contractors.

Over the 2021-2022 fiscal year, IT completed 6,414 service requests and made security enhancements to the Industry Access Portal project. IT worked with other divisions to implement a cloud-based identity management system for Industry Access to provide cloud-based authentication/authorization for Industry Access users. This implementation provided modern login functionality and improved application security to the Industry Access Portal.

Cybersecurity remained an important focus area for the IT Division during the fiscal year. As with previous years, this fiscal year included a steady amount of cybersecurity attacks, specifically phishing attempts via email. To ensure the LDI is meeting current industry security standards, the IT Division hired an external company during the fiscal year to perform penetration/security testing on LDI systems and corrected issues found during testing.

A blue graphic with a white border. At the top left is the LDI logo, which includes the text 'STATE OF LOUISIANA', 'UNION • JUSTICE', 'CONFIDENCE', and 'COMMISSIONER OF INSURANCE'. The main text reads 'FOLLOW US ON SOCIAL MEDIA FOR NEWS AND ANNOUNCEMENTS.' in large, white, bold letters. Below this text are three social media icons: Facebook (a white 'f' on a blue square), LinkedIn (a white 'in' on a blue square), and Twitter (a white bird on a blue square). At the bottom, the text 'Sign up at ldi.la.gov/socialnetwork.' is displayed in white, with the URL in a larger font.

FOLLOW US
ON SOCIAL MEDIA FOR NEWS
AND ANNOUNCEMENTS.

Sign up at
ldi.la.gov/socialnetwork.

What Can You Do Online? www.lidi.la.gov



- Find an agent.
- File a complaint.
- Find a company.
- Find Medicare help near you.
- Report insurance fraud.
- Request a search for a lost life insurance policy.
- And much more.



Contact LDI.

Call us:
1-800-259-5300

Email us:
public@ldi.la.gov

Updated September 2023