

# Commissioner of Insurance

## Department Description

The mission of the Department of Insurance is to regulate the insurance industry in the state and to serve as advocate for the state's insurance consumers.

The goals of the department are:

To regulate the industry in the state (licensing of producers and insurers, serve as advocate for insurance consumers) by enforcing existing laws fairly and consistently and by proposing new laws as needed.

To provide necessary administrative and operational support to the entire department, and attract insurers to the state in order to promote a more competitive market.

The Department of Insurance is composed of two programs: Administration/Fiscal Program and Market Compliance Program.

For additional information, see:

[Commissioner of Insurance](#)

## Commissioner of Insurance Budget Summary

	Prior Year Actuals FY 2004-2005	Enacted FY 2005-2006	Existing FY 2005-2006	Recommended FY 2006-2007	Total Recommended Over/Under EOB
<b>Means of Financing:</b>					
State General Fund (Direct)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>State General Fund by:</b>					
Total Interagency Transfers	0	0	0	0	0
Fees and Self-generated Revenues	23,452,428	27,307,720	27,307,720	27,094,187	(213,533)
Statutory Dedications	888,214	1,081,322	1,081,322	1,008,616	(72,706)
Interim Emergency Board	0	0	0	0	0
Federal Funds	257,585	255,936	255,936	255,936	0
<b>Total Means of Financing</b>	<b>\$ 24,598,227</b>	<b>\$ 28,644,978</b>	<b>\$ 28,644,978</b>	<b>\$ 28,358,739</b>	<b>\$ (286,239)</b>
<b>Expenditures &amp; Request:</b>					
Commissioner of Insurance	\$ 24,598,227	\$ 28,644,978	\$ 28,644,978	\$ 28,358,739	\$ (286,239)
<b>Total Expenditures &amp; Request</b>	<b>\$ 24,598,227</b>	<b>\$ 28,644,978</b>	<b>\$ 28,644,978</b>	<b>\$ 28,358,739</b>	<b>\$ (286,239)</b>



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## Commissioner of Insurance Budget Summary

	Prior Year Actuals FY 2004-2005	Enacted FY 2005-2006	Existing FY 2005-2006	Recommended FY 2006-2007	Total Recommended Over/Under EOB
<b>Authorized Full-Time Equivalents:</b>					
Classified	248	248	248	248	0
Unclassified	29	29	29	29	0
<b>Total FTEs</b>	<b>277</b>	<b>277</b>	<b>277</b>	<b>277</b>	<b>0</b>



## 04-165 — Commissioner of Insurance

### Agency Description

The mission of the Department of Insurance is to regulate the insurance industry in the state and to serve as advocate for the state's insurance consumers.

The goals of the department are:

- I. To regulate the industry in the state (licensing of producers and insurers, serve as advocate for insurance consumers) by enforcing existing laws fairly and consistently and by proposing new laws as needed.
- II. To provide necessary administrative and operational support to the entire department, and attract insurers to the state in order to promote a more competitive market.

The Department of Insurance is composed of two programs: Administration/Fiscal Program and Market Compliance Program.

For additional information, see:

[Commissioner of Insurance](#)

### Commissioner of Insurance Budget Summary

	Prior Year Actuals FY 2004-2005	Enacted FY 2005-2006	Existing FY 2005-2006	Recommended FY 2006-2007	Total Recommended Over/Under EOB
<b>Means of Financing:</b>					
State General Fund (Direct)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>State General Fund by:</b>					
Total Interagency Transfers	0	0	0	0	0
Fees and Self-generated Revenues	23,452,428	27,307,720	27,307,720	27,094,187	(213,533)
Statutory Dedications	888,214	1,081,322	1,081,322	1,008,616	(72,706)
Interim Emergency Board	0	0	0	0	0
Federal Funds	257,585	255,936	255,936	255,936	0
<b>Total Means of Financing</b>	<b>\$ 24,598,227</b>	<b>\$ 28,644,978</b>	<b>\$ 28,644,978</b>	<b>\$ 28,358,739</b>	<b>\$ (286,239)</b>
<b>Expenditures &amp; Request:</b>					
Administrative	\$ 8,707,159	\$ 9,505,099	\$ 9,505,099	\$ 8,964,770	\$ (540,329)
Market Compliance	15,891,068	19,139,879	19,139,879	19,393,969	254,090
<b>Total Expenditures &amp; Request</b>	<b>\$ 24,598,227</b>	<b>\$ 28,644,978</b>	<b>\$ 28,644,978</b>	<b>\$ 28,358,739</b>	<b>\$ (286,239)</b>



## Commissioner of Insurance Budget Summary

	Prior Year Actuals FY 2004-2005	Enacted FY 2005-2006	Existing FY 2005-2006	Recommended FY 2006-2007	Total Recommended Over/Under EOB
<b>Authorized Full-Time Equivalents:</b>					
Classified	248	248	248	248	0
Unclassified	29	29	29	29	0
<b>Total FTEs</b>	<b>277</b>	<b>277</b>	<b>277</b>	<b>277</b>	<b>0</b>



## 165\_1000 — Administrative

Program Authorization: The Louisiana Constitution of 1974, Article IV, Section 11; Title 36, Chapter 17 of the Louisiana Revised Statutes; Title 22 of the Louisiana Revised Statutes; Act 83 of 1977 (Reorganization Act); Act 477 of 1992 (Reorganization Act); Act 850 of 1984 (Equal Opportunity in Insurance); Act 517 of 1992, (Operations of the Louisiana Insurance Guaranty Association with the Louisiana Department of Insurance); Act 1312 of 1999 (Insurance Fraud Assessment); Act 293 of 2003 (Insurance Fraud); Act 351 of 2003 (Flexible Rating)

### Program Description

The mission of the Administration/Fiscal Program is to provide necessary administrative and operational support to all areas of the department, and to attract insurers to do business in the state.

The goal of the Administration/Fiscal Program is:

- I. To provide necessary administrative and operational support to the entire department, and to attract insurers to do business in the state.

The Administration/Fiscal Program is organizationally composed of the Office of the Commissioner and Office of Management and Finance.

Office of the Commissioner - Internal Audit, Minority Affairs (LRS36:687), and Public Affairs (LRS 36:690).

Office of Management and Finance - (LRS 36:684) Fiscal Affairs, Information Technology, Assessments and Data Management, Human Resources, Administrative Services, Strategic and Operational Planning.

### Administrative Budget Summary

	Prior Year Actuals FY 2004-2005	Enacted FY 2005-2006	Existing FY 2005-2006	Recommended FY 2006-2007	Total Recommended Over/Under EOB
<b>Means of Financing:</b>					
State General Fund (Direct)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>State General Fund by:</b>					
Total Interagency Transfers	0	0	0	0	0
Fees and Self-generated Revenues	8,677,157	9,475,099	9,475,099	8,934,770	(540,329)
Statutory Dedications	30,002	30,000	30,000	30,000	0
Interim Emergency Board	0	0	0	0	0
Federal Funds	0	0	0	0	0
<b>Total Means of Financing</b>	<b>\$ 8,707,159</b>	<b>\$ 9,505,099</b>	<b>\$ 9,505,099</b>	<b>\$ 8,964,770</b>	<b>\$ (540,329)</b>
<b>Expenditures &amp; Request:</b>					



## Administrative Budget Summary

	Prior Year Actuals FY 2004-2005	Enacted FY 2005-2006	Existing FY 2005-2006	Recommended FY 2006-2007	Total Recommended Over/Under EOB
Personal Services	\$ 4,331,344	\$ 4,647,940	\$ 4,689,133	\$ 4,771,741	\$ 82,608
Total Operating Expenses	1,698,967	1,781,439	1,738,842	1,758,823	19,981
Total Professional Services	165,094	723,622	723,622	260,176	(463,446)
Total Other Charges	1,651,849	1,654,052	1,655,456	1,881,490	226,034
Total Acq & Major Repairs	859,905	698,046	698,046	292,540	(405,506)
Total Unallotted	0	0	0	0	0
<b>Total Expenditures &amp; Request</b>	<b>\$ 8,707,159</b>	<b>\$ 9,505,099</b>	<b>\$ 9,505,099</b>	<b>\$ 8,964,770</b>	<b>\$ (540,329)</b>
<b>Authorized Full-Time Equivalents:</b>					
Classified	61	61	61	61	0
Unclassified	7	7	7	7	0
<b>Total FTEs</b>	<b>68</b>	<b>68</b>	<b>68</b>	<b>68</b>	<b>0</b>

## Source of Funding

This program is funded from Fees and Self-generated Revenues and Statutory Dedications. Fees and Self-generated Revenue funds are derived from various fees and licenses authorized by R.S. 22. The Statutory Dedications are from the Insurance Fraud Investigation Fund from assessments on various insurance policies written in Louisiana. (Per R.S. 39:36B. (8), see table below for a listing of expenditures out of each Statutory Dedicated Fund).

## Administrative Statutory Dedications

Fund	Prior Year Actuals FY 2004-2005	Enacted FY 2005-2006	Existing FY 2005-2006	Recommended FY 2006-2007	Total Recommended Over/Under EOB
Insurance Fraud Investigation Fund	\$ 30,002	\$ 30,000	\$ 30,000	\$ 30,000	\$ 0

## Major Changes from Existing Operating Budget

General Fund	Total Amount	Table of Organization	Description
\$ 0	\$ 0	0	Mid-Year Adjustments (BA-7s):
\$ 0	\$ 9,505,099	68	Existing Oper Budget as of 12/01/05
<b>Statewide Major Financial Changes:</b>			
\$ 0	\$ 35,007	0	Annualize Classified State Employee Merits
\$ 0	\$ 45,251	0	Classified State Employees Merit Increases



### Major Changes from Existing Operating Budget (Continued)

General Fund	Total Amount	Table of Organization	Description
\$ 0	\$ 39,071	0	Group Insurance for Active Employees
\$ 0	\$ 106,894	0	Group Insurance for Retirees
\$ 0	\$ 6,499	0	Salary Base Adjustment
\$ 0	\$ (150,114)	0	Attrition Adjustment
\$ 0	\$ (326,856)	0	Non-Recurring Acquisitions & Major Repairs
\$ 0	\$ 19,978	0	Risk Management
\$ 0	\$ (11,895)	0	Legislative Auditor Fees
\$ 0	\$ 179,772	0	Maintenance in State-Owned Buildings
\$ 0	\$ 57,806	0	Capitol Park Security
\$ 0	\$ (3,586)	0	UPS Fees
\$ 0	\$ 2,219	0	Civil Service Fees
\$ 0	\$ 1,721	0	CPTP Fees
\$ 0	\$ 292,540	0	Office of Information Technology Projects
\$ 0	\$ (905,185)	0	Act 67 (Supplemental Bill) of the 2005 1st Extraordinary Legislative Session
<b>Non-Statewide Major Financial Changes:</b>			
			OIT Supported - Fiscal and Management Computer System - replacement of the Fiscal and Management computer system, which is the last step in a multi-year plan to replace all computer systems within the Department of Insurance. This system will also allow consumers, producers and companies to make payments to the department electronically via the Internet.
\$ 0	\$ 70,549	0	
\$ 0	\$ 8,964,770	68	<b>Recommended FY 2006-2007</b>
\$ 0	\$ 0	0	<b>Less Governor's Supplementary Recommendations</b>
\$ 0	\$ 8,964,770	68	<b>Base Executive Budget FY 2006-2007</b>
\$ 0	\$ 8,964,770	68	<b>Grand Total Recommended</b>

### Professional Services

Amount	Description
\$260,176	Professional service contracts used to assist the Department in information technology projects, on site training and other miscellaneous contracts
<b>\$260,176</b>	<b>TOTAL PROFESSIONAL SERVICES</b>

### Other Charges

Amount	Description
	<b>Other Charges:</b>



## Other Charges (Continued)

Amount	Description
	This program does not have funding for Other Charges for Fiscal Year 2006-2007
<b>\$0</b>	<b>SUB-TOTAL OTHER CHARGES</b>
	<b>Interagency Transfers:</b>
\$179,038	Capitol Security - Public Safety Services
\$40,629	Civil Service Fees
\$6,258	CPTP Training
\$25,000	Department of Public Safety - Defensive Driving
\$8,064	Department of Public Safety - Rental space for computers in the data center
\$10,000	Dept of Labor - Unemployment Compensation
\$669	DOA - Forms Management
\$3,191	DOA - State Mail
\$12,026	DOA - State Printing
\$50,662	Legislative Auditor Fees
\$859,932	Maintenance of State-owned Buildings
\$224,530	Office of Risk Management Fees
\$428,467	Office of Telecommunications Management Fees
\$65	Secretary of State - Dues and Subscriptions
\$870	Secretary of State - Miscellaneous Boxes
\$18,655	Treasury Banking fees
\$13,434	UPS fees
<b>\$1,881,490</b>	<b>SUB-TOTAL INTERAGENCY TRANSFERS</b>
<b>\$1,881,490</b>	<b>TOTAL OTHER CHARGES</b>

## Acquisitions and Major Repairs

Amount	Description
\$292,540	Replacement of personal computers, laptops, printers, servers, power vault storage units as approved by Office of Information Technology.
<b>\$292,540</b>	<b>TOTAL ACQUISITIONS AND MAJOR REPAIRS</b>

## Performance Information

- (KEY) Work with all areas of the department, the legislature, other state agencies and private interests to increase the number of financially sound, consumer responsive insurers doing business in the state.**

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable





Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Explanatory Note: The National Association of Insurance Commissioners (NAIC) is the national organization that exists to promote effective insurance regulations and protection of consumers. The accreditation remains in effect until suspended or revoked. Periodic audits are conducted by the NAIC to determine if continued accreditation is appropriate. This indicator is expressed as a percentage because the LAPAS system can accept only numeric expression. The most recent review of DOI by NAIC occurred in 2003.

**Performance Indicators**

L e v e l	Performance Indicator Name	Performance Indicator Values				
		Yearend Performance Standard FY 2004-2005	Actual Yearend Performance FY 2004-2005	Performance Standard as Initially Appropriated FY 2005-2006	Existing Performance Standard FY 2005-2006	Performance At Executive Budget Level FY 2006-2007
K	Percentage of accreditation by the National Association of Insurance Commissioners retained (LAPAS CODE - 6389)	100%	100%	100%	100%	100%

**Administrative General Performance Information**

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004	Prior Year Actual FY 2004-2005
Number of licensed domestic insurers (LAPAS CODE - 912)	172	162	119	116	115
Number of licensed foreign/alien insurance companies (LAPAS CODE - 913)	1,713	1,768	1,335	1,391	1,408
Number of surplus lines companies approved and monitored (LAPAS CODE - 914)	142	142	140	149	148
Total number of companies licensed and approved (LAPAS CODE - 911)	2,027	2,079	2,125	2,486	1,671

**2. (SUPPORTING)Risk assessment/audit schedule, including time limits for each scheduled audit for the fiscal year, is completed and approved by the agency head or his/her designee prior to the start of the fiscal year.**

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable



## Performance Indicators

L e v e l	Performance Indicator Name	Performance Indicator Values				
		Yearend Performance Standard FY 2004-2005	Actual Yearend Performance FY 2004-2005	Performance Standard as Initially Appropriated FY 2005-2006	Existing Performance Standard FY 2005-2006	Performance At Executive Budget Level FY 2006-2007
S	Number of repeat internal audit findings (LAPAS CODE - 887)	0	0	0	0	0
S	Number of repeat findings in legislative auditor's report (LAPAS CODE - 6395)	0	0	0	0	0

## Administrative General Performance Information

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004	Prior Year Actual FY 2004-2005
Number of internal audits scheduled (LAPAS CODE - 13786)	Not Applicable	Not Applicable	3	5	4
Number of internal audits performed (LAPAS CODE - 6393)	7	5	3	3	4
Percentage of internal audit recommendations accepted (LAPAS CODE - 6394)	100%	100%	100%	100%	100%
Number of different tax types collected (LAPAS CODE - 898)	9	9	8	8	7
Number of different fees and assessments collected (LAPAS CODE - 891)	38	38	40	33	67
Taxable premiums in (\$billions) (LAPAS CODE - 892)	\$ 9	\$ 10	\$ 11	\$ 12	\$ 13
Tax collections as percentage of taxable premiums (LAPAS CODE - 893)	1%	1%	2%	2%	2%
Total premiums subject to Louisiana Insurance Rating Commission (LIRC) assessment in (\$billions) (LAPAS CODE - 894)	\$ 5	\$ 4	\$ 5	\$ 5	\$ 6
Total amount of LIRC assessment collected in (\$millions) (LAPAS CODE - 895)	\$ 42	\$ 43	\$ 47	\$ 52	\$ 58
LIRC assessment collection as percentage of subject premiums (LAPAS CODE - 896)	1%	1%	1%	1%	1%
Total fees collected in (\$millions) (LAPAS CODE - 6397)	\$ 10	\$ 15	\$ 16	\$ 17	\$ 18
Total amount of revenues collected from taxes, assessments, fees, penalties and miscellaneous - in (\$millions) (LAPAS CODE - 890)	\$ 162	\$ 203	\$ 235	\$ 270	\$ 280



**3. (SUPPORTING) Increase the scope of services and information through the DOI website. Maintain, support and update or expand as necessary the department's various databases and systems.**

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Explanatory Note: The indicators for this division may change over the term of the strategic plan as initiatives are completed and new ones begin.

**Performance Indicators**

L e v e l	Performance Indicator Name	Performance Indicator Values				Performance At Executive Budget Level FY 2006-2007
		Yearend Performance Standard FY 2004-2005	Actual Yearend Performance FY 2004-2005	Performance Standard as Initially Appropriated FY 2005-2006	Existing Performance Standard FY 2005-2006	
S	Percentage completion of on-line access to producer licensing renewal (LAPAS CODE - 13789)	50%	45%	50%	50%	90%
S	Percentage completion of on-line access to consumer complaint filing (LAPAS CODE - 13790)	50%	45%	50%	50%	50%

**Administrative General Performance Information**

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004	Prior Year Actual FY 2004-2005
Percentage completion of on-line access to Forms Review/Approval Matrix and related conversion (LAPAS CODE - 20241)	50%	50%	50%	50%	45%
Number of service request forms received (LAPAS CODE - 6399)	2,877	2,880	1,719	2,080	3,557
Percentage of service requests satisfactorily fulfilled within 2 business days (LAPAS CODE - 10148)	92%	93%	78%	71%	99%



**4. (SUPPORTING) Make available via the internet, by mail, etc., and through training/educational seminars information to assist minority and disadvantaged persons who wish to obtain employment in the insurance industry or related service companies. Conduct a survey every other year to determine the minority/disadvantaged persons employed as professionals or para-professionals with insurers doing business in Louisiana.**

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Explanatory Note: - A standard company is an insurer that rates a risk up or down from standard rates, depending upon various factors, and uses standard terms and conditions in its policies. It has been difficult for minority/disadvantaged producers to obtain the contract or company appointment that would allow them to sell the standard insurers' products to their clients. We continue with informal counseling and educational/training across the state, as well as with college outreach.

**Performance Indicators**

L e v e l	Performance Indicator Name	Performance Indicator Values				Performance At Executive Budget Level FY 2006-2007
		Yearend Performance Standard FY 2004-2005	Actual Yearend Performance FY 2004-2005	Performance Standard as Initially Appropriated FY 2005-2006	Existing Performance Standard FY 2005-2006	
S	Number of standard companies to which disadvantaged/minority producers have access (LAPAS CODE - 10161)	12	11	12	12	12
S	Number of persons attending semi-annual training seminars (LAPAS CODE - 13793)	50	11	50	50	80
Number of persons attending semi-annual educational/training seminars was reported as "Number of educational/training seminars provided" through an error on DOI's part. Rather than request a change in indicator we are retaining the indicator 13793 as stated above, and reporting the actual results for that indicator rather than the number into LAPAS in error.						



## 165\_2000 — Market Compliance

Program Authorization: The Louisiana Constitution of 1974, Article IV, Section 11; Title 36, Chapter 17 of the Louisiana Revised Statutes; Title 22 of the Louisiana Revised Statutes; Act 83 of 1977 (Reorganization Act); Act 477 of 1992 (Reorganization Act); Act 850 of 1984 (Equal Opportunity in Insurance); Act 517 of 1992, (Operations of the Louisiana Insurance Guaranty Association with the Louisiana Department of Insurance); Act 1312 of 1999 (Insurance Fraud Assessment); Act 293 of 2003 (Insurance Fraud); Act 158 of 2000 (Producer Licensing), Act 351 of 2003 (Flexible Rating), Act 711 of 2004 (Automobile Theft and Insurance Fraud Prevention Authority)

### Program Description

The mission of the Market Compliance Program is to regulate the insurance industry in the state and to serve as advocate for insurance consumers.

The goals of the Market Compliance Program are:

- I. To regulate the insurance industry in the state (licensing of producers and insurers).
- II. To serve as advocate for insurance consumers by enforcing existing laws fairly and consistently and by proposing new laws as needed.

The Market Compliance Program is organizationally composed of the Office of Licensing and Compliance, the Office of Financial Solvency, the Office of Property & Casualty Insurance, the Office of Life and Annuity, the Office of Health Insurance, and the Office of Receivership.

Office of Licensing and Compliance - Initial and renewal licensing of insurance producers; licensing of insurers; insurance fraud investigation and prevention; legal support services.

Office of Financial Solvency - Financial examinations and analyses of domestic insurers; market conduct examinations; examination of surplus lines brokers; collection of insurance premium and surplus lines taxes on behalf of the state's general fund.

Office of Property & Casualty Insurance - Consumer complaint investigations and contract/policy forms review; activities related to insurance rating; support activities for insurance rating commission; actuarial services.

Office of Life and Annuity - Consumer complaint investigations and contract/policy forms review

Office of Health Insurance - Consumer complaint investigations and contract/policy forms, advertising and rate review; Senior Health Insurance Information Program (SHIIP); licensing and examination of Medical Necessity Review Organizations (MNROs).

Office of Receivership - Management of the assets of companies in receivership; liquidation of the assets of companies in receivership through final, court-approved closure.



## Market Compliance Budget Summary

	Prior Year Actuals FY 2004-2005	Enacted FY 2005-2006	Existing FY 2005-2006	Recommended FY 2006-2007	Total Recommended Over/Under EOB
<b>Means of Financing:</b>					
State General Fund (Direct)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>State General Fund by:</b>					
Total Interagency Transfers	0	0	0	0	0
Fees and Self-generated Revenues	14,775,271	17,832,621	17,832,621	18,159,417	326,796
Statutory Dedications	858,212	1,051,322	1,051,322	978,616	(72,706)
Interim Emergency Board	0	0	0	0	0
Federal Funds	257,585	255,936	255,936	255,936	0
<b>Total Means of Financing</b>	<b>\$ 15,891,068</b>	<b>\$ 19,139,879</b>	<b>\$ 19,139,879</b>	<b>\$ 19,393,969</b>	<b>\$ 254,090</b>
<b>Expenditures &amp; Request:</b>					
Personal Services	\$ 12,105,101	\$ 13,058,855	\$ 13,018,802	\$ 12,990,859	\$ (27,943)
Total Operating Expenses	990,935	990,733	949,295	998,528	49,233
Total Professional Services	2,157,383	4,447,632	4,447,632	4,750,812	303,180
Total Other Charges	629,069	642,659	724,150	653,770	(70,380)
Total Acq & Major Repairs	8,580	0	0	0	0
Total Unallotted	0	0	0	0	0
<b>Total Expenditures &amp; Request</b>	<b>\$ 15,891,068</b>	<b>\$ 19,139,879</b>	<b>\$ 19,139,879</b>	<b>\$ 19,393,969</b>	<b>\$ 254,090</b>
<b>Authorized Full-Time Equivalents:</b>					
Classified	187	187	187	187	0
Unclassified	22	22	22	22	0
<b>Total FTEs</b>	<b>209</b>	<b>209</b>	<b>209</b>	<b>209</b>	<b>0</b>

## Source of Funding

This program is funded from Fees and Self-generated Revenues, Statutory Dedications and Federal Funds. The Fees and Self-generated Revenues are derived from various fees and licenses authorized by R.S. 22 and the La. Insurance Rating Commission assessment authorized by R.S. 22:1419. The Statutory Dedications are from the Administrative Fund (Health Insurance Portability Administrative Act) comprised of penalties and an assessment not to exceed .0005 of the amount of premiums received in this state by Health insurers during the preceding year ending December 31. Statutory Dedications are also from the Automobile Theft and Insurance



Fraud Prevention Authority Fund; and the Insurance Fraud Investigation Fund from assessments on various policies written in Louisiana. The Federal Funds are provided under the Health Care Financing Research, Demonstration and Evaluations Information Grant made under the authority of Section 4360 of the Omnibus Budget Reduction act of 1990 (Public Law 101-508). (Per R.S. 39:36B.(8), see table below for a listing of expenditures out of each Statutory Dedicated fund.)

### Market Compliance Statutory Dedications

Fund	Prior Year Actuals FY 2004-2005	Enacted FY 2005-2006	Existing FY 2005-2006	Recommended FY 2006-2007	Total Recommended Over/Under EOB
Administrative Fund- Department of Insurance	\$ 565,212	\$ 668,720	\$ 668,720	\$ 635,284	\$ (33,436)
Insurance Fraud Investigation Fund	293,000	299,666	299,666	264,543	(35,123)
Auto. Theft and Insurance Fraud Prev. Auth. Fund	0	82,936	82,936	78,789	(4,147)

### Major Changes from Existing Operating Budget

General Fund	Total Amount	Table of Organization	Description
\$ 0	\$ 0	0	Mid-Year Adjustments (BA-7s):
\$ 0	\$ 19,139,879	209	Existing Oper Budget as of 12/01/05
<b>Statewide Major Financial Changes:</b>			
0	126,270	0	Annualize Classified State Employee Merits
0	148,245	0	Classified State Employees Merit Increases
0	140,980	0	Group Insurance for Active Employees
0	19,391	0	Salary Base Adjustment
0	(429,910)	0	Attrition Adjustment
0	(8,856)	0	Administrative Law Judges
0	(54,066)	0	Executive Order No. KBB 2005-82 Expenditure Reduction
0	(996,820)	0	Act 67 (Supplemental Bill) of the 2005 1st Extraordinary Legislative Session
<b>Non-Statewide Major Financial Changes:</b>			
0	1,300,000	0	Project to upgrade the Complaints, Rates, and Forms Tracking System (CRAFTS). The CRAFTS Project will design/develop/re-engineer technology systems to replace the current systems, thus maximizing production and overall efficiency. The system will process and complete filings and complaints in a more timely fashion; provide for the coordination of the receipt and processing of information. It will fully interface with all systems in the Department of Insurance, National Association of Insurance Commissioners (NAIC), and other designated entities. The new system will reduce manual entry, and will utilize evolving technology such as e-mail and system-driven traditional correspondence.



## Major Changes from Existing Operating Budget (Continued)

General Fund	Total Amount	Table of Organization	Description
0	8,856	0	Administrative Law Judge funding from Other Line Items
\$ 0	\$ 19,393,969	209	<b>Recommended FY 2006-2007</b>
\$ 0	\$ 0	0	<b>Less Governor's Supplementary Recommendations</b>
\$ 0	\$ 19,393,969	209	<b>Base Executive Budget FY 2006-2007</b>
\$ 0	\$ 19,393,969	209	<b>Grand Total Recommended</b>

## Professional Services

Amount	Description
\$4,750,812	Accounting, auditing, and legal contracts to assist the department in fulfilling legislatively mandated examinations of insurers, actuarial reviews of rate submissions, etc.
<b>\$4,750,812</b>	<b>TOTAL PROFESSIONAL SERVICES</b>

## Other Charges

Amount	Description
	<b>Other Charges:</b>
\$87,645	Services associated with the Auto Theft and Insurance Fraud Prevention Authority
<b>\$87,645</b>	<b>SUB-TOTAL OTHER CHARGES</b>
	<b>Interagency Transfers:</b>
\$79,984	Division of Administrative Law for administrative hearings
\$3,519	DOA - State Mail
\$165,770	Legal services provided by the Department of Justice
\$300,264	Office of Telecommunications Management for telephone services
\$15,000	Office of the State Register
\$1,588	Office Supplies and printing services
<b>\$566,125</b>	<b>SUB-TOTAL INTERAGENCY TRANSFERS</b>
<b>\$653,770</b>	<b>TOTAL OTHER CHARGES</b>

## Acquisitions and Major Repairs

Amount	Description
	This program does not have funding for Acquisitions and Major Repairs for Fiscal Year 2006-2007.





## Performance Information

**1. (KEY) Work with Information Technology (IT) division to increase access to department services and information via internet/website. Work with National Association of Insurance Commissioners (NAIC) to develop nationwide standards for insurance regulation and consumer protection and propose legislation as necessary to support those standards.**

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Explanatory Note: A company appointment is the contract between the producer and the insurance company that allows the producer to offer the company's products for sale to his/her clients. Licenses are issued to Property & Casualty producers in one year, to Life and Health producers in alternating years.

### Performance Indicators

L e v e l	Performance Indicator Name	Performance Indicator Values				Performance At Executive Budget Level FY 2006-2007
		Yearend Performance Standard FY 2004-2005	Actual Yearend Performance FY 2004-2005	Performance Standard as Initially Appropriated FY 2005-2006	Existing Performance Standard FY 2005-2006	
K	Number of new producer licenses issued (LAPAS CODE - 6416)	18,000	15,500	18,000	15,500	15,500
K	Number of producer license renewals processed (LAPAS CODE - 6417)	30,000	30,000	30,000	29,500	29,500
K	Number of company appointments processed (LAPAS CODE - 934)	415,000	415,000	415,000	385,000	385,000

### Market Compliance General Performance Information

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004	Prior Year Actual FY 2004-2005
Total number of licensed producers (LAPAS CODE - 933)	55,193	57,892	66,509	67,839	75,171



**2. (KEY) Develop instructions for insurers to follow in preparing applications and filings for submission to the department and return to insurers those filings that do not comply with the instructions.**

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

**Performance Indicators**

L e v e l	Performance Indicator Name	Performance Indicator Values				
		Yearend Performance Standard FY 2004-2005	Actual Yearend Performance FY 2004-2005	Performance Standard as Initially Appropriated FY 2005-2006	Existing Performance Standard FY 2005-2006	Performance At Executive Budget Level FY 2006-2007
K	Percentage of company filings and applications processed during the fiscal year in which they are received (LAPAS CODE - 11942)	85%	85%	85%	85%	90%
K	Average number of days to review company filings and applications (LAPAS CODE - 6420)	60	60	60	60	60

**3. (KEY) Increase the depth of experience and knowledge among personnel through increased training and monitoring of newer examiners by more experienced examiners.**

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Explanatory Note: 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. Complaints are investigated to determine whether the insurer or producer performed in compliance with the law and terms and conditions of the policy. A consumer may expect payment for an item not covered by the policy or may not be happy with the way a claim was handled, but the company or producer may have acted properly and within the law.



**Performance Indicators**

L e v e l	Performance Indicator Name	Performance Indicator Values				
		Yearend Performance Standard FY 2004-2005	Actual Yearend Performance FY 2004-2005	Performance Standard as Initially Appropriated FY 2005-2006	Existing Performance Standard FY 2005-2006	Performance At Executive Budget Level FY 2006-2007
K	Average number of days to investigate to conclusion a Life & Annuity (L&A) complaint (LAPAS CODE - 13958)	60	46	60	55	55
K	Amount of claim payments/premium refunds recovered for complainants (LAPAS CODE - 13959)	\$ 1,000,000	\$ 1,398,558	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000

**Market Compliance General Performance Information**

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004	Prior Year Actual FY 2004-2005
Number of L&A complaints received (LAPAS CODE - 13960)	Not Available	501	531	611	597
Complaints received during the last ninety days of the fiscal year may be counted in the next fiscal year.					
Number of L&A complaints investigations concluded (LAPAS CODE - 13961)	Not Available	547	506	628	622
Complaints received during the last ninety days of the fiscal year may be counted in the next fiscal year.					

**4. (KEY) Increase the expertise and knowledge among personnel through increased training and monitoring of newer examiners by more experienced examiners.**

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Explanatory Note: All contract/policy forms must be reviewed/approved by DOI before they can be offered for sale in the state. Delays in the process can result in the state's consumers not having access to those products and to insurers not being able to sell those products. Good efficiency in this area is important to our department-wide efforts to attract more companies to do business in the state.



## Performance Indicators

L e v e l	Performance Indicator Name	Performance Indicator Values				
		Yearend Performance Standard FY 2004-2005	Actual Yearend Performance FY 2004-2005	Performance Standard as Initially Appropriated FY 2005-2006	Existing Performance Standard FY 2005-2006	Performance At Executive Budget Level FY 2006-2007
K	Average number of days to process L&A contract/policy forms (LAPAS CODE - 13988)	25	10	25	25	25
K	Percentage of L&A contract/policy forms approved (LAPAS CODE - 13987)	70%	90%	70%	70%	70%

## Market Compliance General Performance Information

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004	Prior Year Actual FY 2004-2005
Number of L&A contract/policy forms received (LAPAS CODE - 13990)	6,514	7,350	8,096	10,083	8,923
Number of L&A contract/policy forms processed (LAPAS CODE - 13991)	9,591	9,761	8,536	9,897	9,012

**5. (KEY) Work with the producer and company licensing divisions to educate insurance and producer license applicants in the proper submission of complete applications. Increase the depth of knowledge and training among personnel through training and monitoring of less experienced examiners by more experienced examiners.**

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Explanatory Note: An initial investigation means a complaint is investigated to determine whether a full investigation should be initiated, or if the report should be entered into the database and maintained for possible additional investigation at a later date. Most delays in completion of background checks are the result of insurers or producers not fully completing applications and filings. The fraud division is working with producer and company licensing divisions to educate insurers and producers in this area.



**Performance Indicators**

L e v e l	Performance Indicator Name	Performance Indicator Values				
		Yearend Performance Standard FY 2004-2005	Actual Yearend Performance FY 2004-2005	Performance Standard as Initially Appropriated FY 2005-2006	Existing Performance Standard FY 2005-2006	Performance At Executive Budget Level FY 2006-2007
K	Percentage of initial claim fraud complaint investigations completed within 10 working days (LAPAS CODE - 12276)	85%	97%	85%	85%	85%
K	Percentage of background checks completed within 15 working days (LAPAS CODE - 12278)	85%	86%	85%	85%	85%

**Market Compliance General Performance Information**

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004	Prior Year Actual FY 2004-2005
Number of claim fraud investigations opened (LAPAS CODE - 12282)	504	837	1,025	1,552	2,604
Number of claim fraud investigations referred to law enforcement agencies (LAPAS CODE - 959)	16	58	80	191	241
Number of producer/company investigations opened (LAPAS CODE - 12279)	816	538	255	595	130
Number of producer/company investigations referred to law enforcement (LAPAS CODE - 12281)	108	24	28	42	15
Number of background checks performed of company and producer licensing divisions (LAPAS CODE - 962)	2,242	3,395	1,452	2,167	1,576

**6. (KEY) Monitor regulated entities to detect all adverse financial and other conditions, take remedial steps as necessary, and maintain compliance with NAIC standards for financial and market conduct examinations.**

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable



Explanatory Note: The examination and analysis program has resulted in earlier detection of troubled companies. The financial examination (onsite/field examination) and analysis components of the program complement each other. Analysis is the annual review of required filings, ongoing operations and examination findings, while onsite/field examination involves the companies' financial status. Each company has a score, developed via weighted criteria, that will determine its position on the exam schedule. Companies may be examined earlier based on these scores. DOI is currently examining companies more frequently than the statutory mandate of at least once every five years. Market conduct exams may occur as result of complaints or problems detected in other states, and may be performed in conjunction with financial exam or independent of any financial exam. Financial exam findings are considered in the annual analysis and findings from the analysis feed into the scheduling of financial examinations. A change in law now allows domestic companies to maintain their financial records outside of the state, which has increased our examination costs and somewhat slowed examination scheduling to accommodate travel.

### Performance Indicators

L e v e l	Performance Indicator Name	Performance Indicator Values				Performance At Executive Budget Level FY 2006-2007
		Yearend Performance Standard FY 2004-2005	Actual Yearend Performance FY 2004-2005	Performance Standard as Initially Appropriated FY 2005-2006	Existing Performance Standard FY 2005-2006	
K	Number of market conduct examinations performed (LAPAS CODE - 6411)	30	31	30	30	30
K	Number of market conduct examinations performed as a result of complaints (LAPAS CODE - 11937)	20	19	20	20	20
K	Percentage of domestic companies examined - financial (LAPAS CODE - 11938)	18%	18%	18%	18%	18%
Approximately 2% (10% overall in a five-year cycle) do not require examination per statute; therefore the percentage of companies requiring examination at least every five years is 18%.						
K	Percentage of domestic companies analyzed - financial (LAPAS CODE - 11939)	100%	78%	100%	100%	100%
K	Percentage of companies other than domestic companies analyzed - financial (LAPAS CODE - 11940)	20%	5%	20%	20%	20%
S	Number of zone examinations in which participating states file dissenting (minority) reports (LAPAS CODE - 13869)	0	0	0	0	0
A zone examination is a financial examination in which examiners from other states in which the company operates may participate. Zone exams are fairly rare when the exam and analysis program is working well, which it has done for several years now.						



**Market Compliance General Performance Information**

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004	Prior Year Actual FY 2004-2005
Number of companies examined - financial (LAPAS CODE - 6410)	37	31	26	30	35
Number of companies examined - market conduct (LAPAS CODE - 20428)	29	30	26	35	41
Number of companies analyzed - financial (LAPAS CODE - 612)	542	585	245	285	152
Number of companies in administrative supervision at beginning of fiscal year (LAPAS CODE - 13768)	5	7	5	7	4
Number of companies placed in administrative supervision during fiscal year (LAPAS CODE - 921)	3	6	1	2	2
Number of companies returned to good health/ removed from supervision during fiscal year (LAPAS CODE - 922)	4	5	1	3	3
Average number of months a company remains in administrative supervision (LAPAS CODE - 923)	24	22	23	23	23

**7. (KEY) Continue to perform field audits of selected surplus lines brokers and desk examinations of all premium tax returns.**

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Explanatory Note: A surplus lines broker is a person who solicits, negotiates or procures a policy of insurance with an approved, unauthorized insurer, known as a surplus lines company, when insurance cannot be obtained from insurers licensed to do business in the state. All premium tax returns undergo desk examination. A change has resulted in an increase in the number of surplus lines brokers licensed in the state; we are performing more examinations, but the percentage of brokers examined has gone down, owing to the increase in the number of licensed brokers.



## Performance Indicators

L e v e l	Performance Indicator Name	Performance Indicator Values				
		Yearend Performance Standard FY 2004-2005	Actual Yearend Performance FY 2004-2005	Performance Standard as Initially Appropriated FY 2005-2006	Existing Performance Standard FY 2005-2006	Performance At Executive Budget Level FY 2006-2007
K	Additional taxes and penalties assessed as a result of audit (in millions) (LAPAS CODE - 889)	\$ 1.50	\$ 1.30	\$ 1.50	\$ 1.50	\$ 1.50
K	Percentage of surplus lines brokers examined (LAPAS CODE - 6396)	15%	10%	15%	15%	10%
S	Number of field examinations of surplus lines brokers performed (LAPAS CODE - 900)	40	74	50	60	60
S	Number of desk examinations performed for tax purposes (LAPAS CODE - 901)	1,843	2,203	1,843	2,050	2,050

### 8. (KEY) Increase the depth of knowledge among personnel through increased training and monitoring of newer examiners by more experienced examiners.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Explanatory Note: 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. Complaints are investigated to determine whether the insurer or producer performed in compliance with the law and terms and conditions of the policy. A consumer may expect payment for an item not covered by the policy or may not be happy with the way a claim was handled, but the company or producer may have acted properly and within the law.





**Performance Indicators**

L e v e l	Performance Indicator Name	Performance Indicator Values				
		Yearend Performance Standard FY 2004-2005	Actual Yearend Performance FY 2004-2005	Performance Standard as Initially Appropriated FY 2005-2006	Existing Performance Standard FY 2005-2006	Performance At Executive Budget Level FY 2006-2007
K	Number of days to conclude a Property & Casualty (P&C) complaint investigation (LAPAS CODE - 10204)	80	80	80	80	80
K	Amount of claim payments and/or premium refunds recovered for P&C complainants (LAPAS CODE - 954)	\$ 3,000,000	\$ 4,877,372	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000

**Market Compliance General Performance Information**

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004	Prior Year Actual FY 2004-2005
Number of P&C complaints received (LAPAS CODE - 14211)	2,388	2,501	2,413	2,274	1,920
Number of P&C complaints investigations concluded (LAPAS CODE - 14212)	2,926	1,891	2,402	2,271	1,995
In prior years, P&C and L&A complaints/claims and forms were done together, by one unit, and no distinct records were kept by type of claim or form. These are now handled by separate units and the data are tracked for each.					

**9. (KEY) Increase the depth of expertise and knowledge among personnel through increased training and monitoring of newer examiners by more experienced examiners.**

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Explanatory Note: All contract/policy forms must be reviewed and approved by DOI before they can be offered for sale in the state. Delays in the process can result in the state's consumers not having access to those products and to insurers not being able to sell those products. Good efficiency in this area is important to our department-wide efforts to attract more companies to do business in the state.



## Performance Indicators

L e v e l	Performance Indicator Name	Performance Indicator Values				
		Yearend Performance Standard FY 2004-2005	Actual Yearend Performance FY 2004-2005	Performance Standard as Initially Appropriated FY 2005-2006	Existing Performance Standard FY 2005-2006	Performance At Executive Budget Level FY 2006-2007
K	Average number of days to process P&C contract/policy forms (LAPAS CODE - 13939)	30	14	30	25	25
K	Percentage of P&C contract/policy forms approved (LAPAS CODE - 13940)	35%	52%	35%	35%	35%

## Market Compliance General Performance Information

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004	Prior Year Actual FY 2004-2005
Number of P&C contract/policy forms received (LAPAS CODE - 13942)	2,806	3,425	2,022	25,763	19,849
Number of P&C contract/policy forms processed (LAPAS CODE - 13943)	31,742	1,891	24,264	24,852	19,579

### 10. (SUPPORTING) Develop and distribute instructions for industry to follow in preparing rate/rule filings for submission. Increase the use of automated tracking for rate/rule filings to determine turn-around times whether acted upon by LIRC or by the department.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Explanatory Note: Changes in laws governing insurance rate/rule approval over the last few years have led to flexible rating and use and file. The LIRC no longer acts upon all rate/rule changes in the state. All changes are reviewed by the department's actuarial staff and appropriate action is taken as a result of the actuary's recommendations. The Rate and Rule division personnel perform preparatory, review and support services to the LIRC and to the department's actuarial staff.



**Performance Indicators**

L e v e l	Performance Indicator Name	Performance Indicator Values				Performance At Executive Budget Level FY 2006-2007
		Yearend Performance Standard FY 2004-2005	Actual Yearend Performance FY 2004-2005	Performance Standard as Initially Appropriated FY 2005-2006	Existing Performance Standard FY 2005-2006	
S	Average number of days from receipt of filing/ submission by OPAC staff to placement on rating commission agenda (LAPAS CODE - 13945)	24	23	24	24	24
S	Average number of days from receipt of filing/ submission by actuary from OPAC support staff to actuary's recommendation (LAPAS CODE - 13949)	32	16	32	32	32
S	Average number of days from receipt of rate filing/ submission to completion of review by DOI (LAPAS CODE - NEW)	30	16	30	30	30

This is a new indicator for FY 2004/05; it did not appear under Act 14 of 2003, and has no performance standard for FY 2003-2004. Continuation values shown take into account that many changes have occurred in laws related to rating and the operation of the LIRC and DOI. Values are set conservatively until trends can be determined on the workflow, etc.

**Market Compliance General Performance Information**

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004	Prior Year Actual FY 2004-2005
Total written premiums (property, casualty, surety and inland marine) subject to regulation by the DOI - in (\$ billions) (LAPAS CODE - 974)	\$ 4.676	\$ 4.641	\$ 5.600	\$ 6.430	\$ 6.900
Number of submissions reviewed by actuary (LAPAS CODE - 971)	451	414	587	697	741
Market impact of rate change submissions approved by LIRC (LAPAS CODE - 973)	\$ 1.79	\$ 4.68	\$ 7.41	\$ 2.77	\$ 1.21
Number rate/rule submissions received (LAPAS CODE - 13957)	1,946	1,858	3,685	1,050	1,301

The indicator name has been changed to delete reference to the LIRC (Louisiana Insurance Rating Commission ) and refer to DOI instead. The same thing is being measured, but changes in the role of the rating commission make this change in wording necessary. Continuation values shown take into account that many changes have occurred in laws related to rating and the operation of the LIRC and DOI. We are setting these conservatively until we have a better feel for the impact of these changes on the workflow, etc.



**11. (KEY) Increase the depth of experience and training among personnel through increased training and mentoring of newer examiners by more experienced examiners.**

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Explanatory Note: 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. Complaints are investigated to determine whether the insurance company 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 be happy with the way the claim was handled, but the company or producer may have acted properly and within the law. Health complaints are handled by three separate divisions within the Office of Health Insurance: Quality Management handles complaints involving major medical and excess/stop loss insurance and compliance with state and federal HIPAA laws; Supplemental Health Plans handles complaints involving limited benefit insurance plans and federal Medicare programs; and Quality Assurance handles complaints involving compliance with state and federal laws governing medical necessity, appeals and prompt payment of major medical insurance claims.

**Performance Indicators**

L e v e l	Performance Indicator Name	Performance Indicator Values				Performance At Executive Budget Level FY 2006-2007
		Yearend Performance Standard FY 2004-2005	Actual Yearend Performance FY 2004-2005	Performance Standard as Initially Appropriated FY 2005-2006	Existing Performance Standard FY 2005-2006	
K	Average number of days to investigate to conclude a consumer health complaint (LAPAS CODE - 987)	60	57	60	60	60
K	Amount of claim payments/premium refunds recovered for health coverage complainants (LAPAS CODE - 989)	\$ 2,000,000	\$ 531,728	\$ 2,000,000	\$ 1,500,000	\$ 1,500,000



**Market Compliance General Performance Information**

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004	Prior Year Actual FY 2004-2005
Number of health complaints received (LAPAS CODE - 6424)	2,066	1,962	1,477	1,266	1,045
Number of health complaint investigations concluded (LAPAS CODE - 6425)	1,238	2,112	1,516	1,270	1,013

**12. (KEY) Increase the expertise and knowledge among personnel through increased training and monitoring of newer examiners by more experienced examiners.**

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Explanatory Note: All contract/policy forms must be reviewed and approved by DOI before they can be offered for sale in the state. Delays in the process can result in consumers not having access to new products and to insurers not being able to sell new products. Efficiency in this area is strong support for our department-wide effort to attract insurers to the state. New laws, rules and regulations, as well as the policy form matrix and better-trained staff have all contributed to improvements in this area. The Office of Health approves rates and advertising in addition to contract/policy forms.

**Performance Indicators**

L e v e l	Performance Indicator Name	Performance Indicator Values				
		Yearend Performance Standard FY 2004-2005	Actual Yearend Performance FY 2004-2005	Performance Standard as Initially Appropriated FY 2005-2006	Existing Performance Standard FY 2005-2006	Performance At Executive Budget Level FY 2006-2007
K	Average number of days to process health contract/policy forms, advertising and rates (LAPAS CODE - 12990)	40	17	30	30	30
K	Percentage of health contract/policy forms, advertising and rates approved (LAPAS CODE - 985)	65%	75%	65%	65%	65%



### Market Compliance General Performance Information

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004	Prior Year Actual FY 2004-2005
Number of health insurance contract/policy forms, advertising and rates received (LAPAS CODE - 986)	5,326	7,181	7,988	6,747	5,497
Number of health insurance contract/policy forms, advertising and rates processed (LAPAS CODE - 10212)	9,380	9,620	8,142	6,729	5,354

### 13. (KEY) Increase the expertise and knowledge among personnel through increased training and monitoring of newer examiners by more experienced examiners.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Explanatory Note: MNRO's (Medical Necessity Review Organizations) must, by statute, be examined no less frequently than once every three years. The first examination cycle began in FY 2003/04. Complaints or other indications of problems may lead to examination of an MNRO earlier than its scheduled examination date. Exit examinations may also occur earlier than the scheduled statutory examination date.

### Performance Indicators

L e v e l	Performance Indicator Name	Performance Indicator Values				
		Yearend Performance Standard FY 2004-2005	Actual Yearend Performance FY 2004-2005	Performance Standard as Initially Appropriated FY 2005-2006	Existing Performance Standard FY 2005-2006	Performance At Executive Budget Level FY 2006-2007
K	Number of Medical Necessity Review Organizations (MNROs) to be examined per statutory schedule (desk examinations) (LAPAS CODE - 14038)	66	50	66	60	60
K	Number of MNROs examined (LAPAS CODE - 14044)	66	50	66	60	60



**Market Compliance General Performance Information**

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004	Prior Year Actual FY 2004-2005
Number of MNRO filings and applications - new and renewal - received (LAPAS CODE - 12134)	103	100	97	145	107
Number of MNRO filings and applications - new and renewal - processed (LAPAS CODE - 12147)	80	128	97	112	129
"Processed" means that an application or filing has been reviewed and approved or disapproved.					

**14. (KEY) Increase awareness of the program through presentations at fairs, meetings, etc. across the state and through home site visits.**

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Explanatory Note: SHIIP (Senior Health Insurance Information Program) is funded by federal grant. Savings to seniors are calculated using a formula developed by the Federal Health Care Financing Administration. Savings may result when assistance leads to the percentage not covered by Medicare being counted, or a client learning that he/she is eligible for other programs that can lead to Medicaid paying deductibles, premiums or co-payments, or in determining the best supplemental or Medicare HMO coverage for the client's needs. Savings, if any, depend upon the situation of the individual senior being counseled.

**Performance Indicators**

L e v e l	Performance Indicator Name	Performance Indicator Values				
		Yearend Performance Standard FY 2004-2005	Actual Yearend Performance FY 2004-2005	Performance Standard as Initially Appropriated FY 2005-2006	Existing Performance Standard FY 2005-2006	Performance At Executive Budget Level FY 2006-2007
K	Estimated savings to counseled senior health clients (LAPAS CODE - 995)	\$ 750,000	\$ 1,339,948	\$ 750,000	\$ 1,000,000	\$ 1,000,000
K	Number of seniors receiving services (telephone, home-site, at fairs, group presentations, etc.) (LAPAS CODE - 12125)	23,208	18,482	19,000	16,000	16,000



## Market Compliance General Performance Information

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004	Prior Year Actual FY 2004-2005
Number of group presentations provided (LAPAS CODE - 999)	125	136	131	151	131
Number in attendance at group presentations (LAPAS CODE - 996)	7,396	4,867	5,476	7,265	5,476
Number of senior health volunteer counselor training sessions conducted (LAPAS CODE - 997)	9	14	4	3	4
Number of senior health publications distributed (LAPAS CODE - 1000)	71,351	63,762	52,750	63,811	52,750

### 15. (KEY) Manage the estates of companies in receivership through liquidation of assets and court-approved closure.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Human Resource Policies Beneficial to Women and Families Link: Not Applicable

Other Links (TANF, Tobacco Settlement, Workforce Development Commission, or Other): Not Applicable

Explanatory Note: Recovered assets of companies in receivership go to the companies' creditors, two of which are the Louisiana Insurance Guaranty Association (LIGA) and the Louisiana Life and Health Insurance Guaranty Association (LHIGA). Neither the Department of Insurance nor the State General Fund receive any monies from the recovered assets of these companies. All final closures must be court approved.

### Performance Indicators

L e v e l	Performance Indicator Name	Performance Indicator Values				
		Yearend Performance Standard FY 2004-2005	Actual Yearend Performance FY 2004-2005	Performance Standard as Initially Appropriated FY 2005-2006	Existing Performance Standard FY 2005-2006	Performance At Executive Budget Level FY 2006-2007
K	Number of companies brought to final closure (LAPAS CODE - 904)	3	1	3	3	3
K	Total recovery of assets from liquidated companies (LAPAS CODE - 908)	\$ 20,300,000	\$ 6,300,000	\$ 16,950,000	\$ 4,000,000	\$ 4,000,000





### Market Compliance General Performance Information

Performance Indicator Name	Performance Indicator Values				
	Prior Year Actual FY 2000-2001	Prior Year Actual FY 2001-2002	Prior Year Actual FY 2002-2003	Prior Year Actual FY 2003-2004	Prior Year Actual FY 2004-2005
Number of companies in receivership at beginning of fiscal year (LAPAS CODE - 12273)	17	22	19	18	19
Number of companies brought to final court-approved closure during fiscal year (LAPAS CODE - 904)	3	1	0	1	1



