



Louisiana Senate Finance Committee



FY25 Executive Budget

**04-165 – Department of
Insurance**

March 2024

*Senator Cameron Henry, President
Senator Glen Womack, Chairman*



FY25 Recommended Budget

Schedule 04-165 — Department of Insurance

Departmental mission — The mission of the Louisiana Department of Insurance is to regulate the insurance industry in the state (licensing of producers, insurance adjusters, public adjusters, and insurers), and to serve as an advocate for the state's insurance consumers.

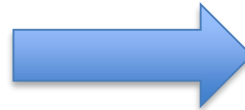


LDI Louisiana
Department of
Insurance

Tim Temple
Commissioner of Insurance

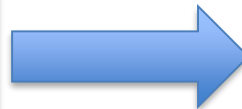
04-165
Department
of Insurance

Administrative



Provides necessary administrative and operational support to the entire department to attract insurers to do business in the state, to promote a more competitive market, and to stabilize the property insurance market.

**Market
Compliance**



Regulates the insurance industry in the state and serves as an advocate for insurance consumers.



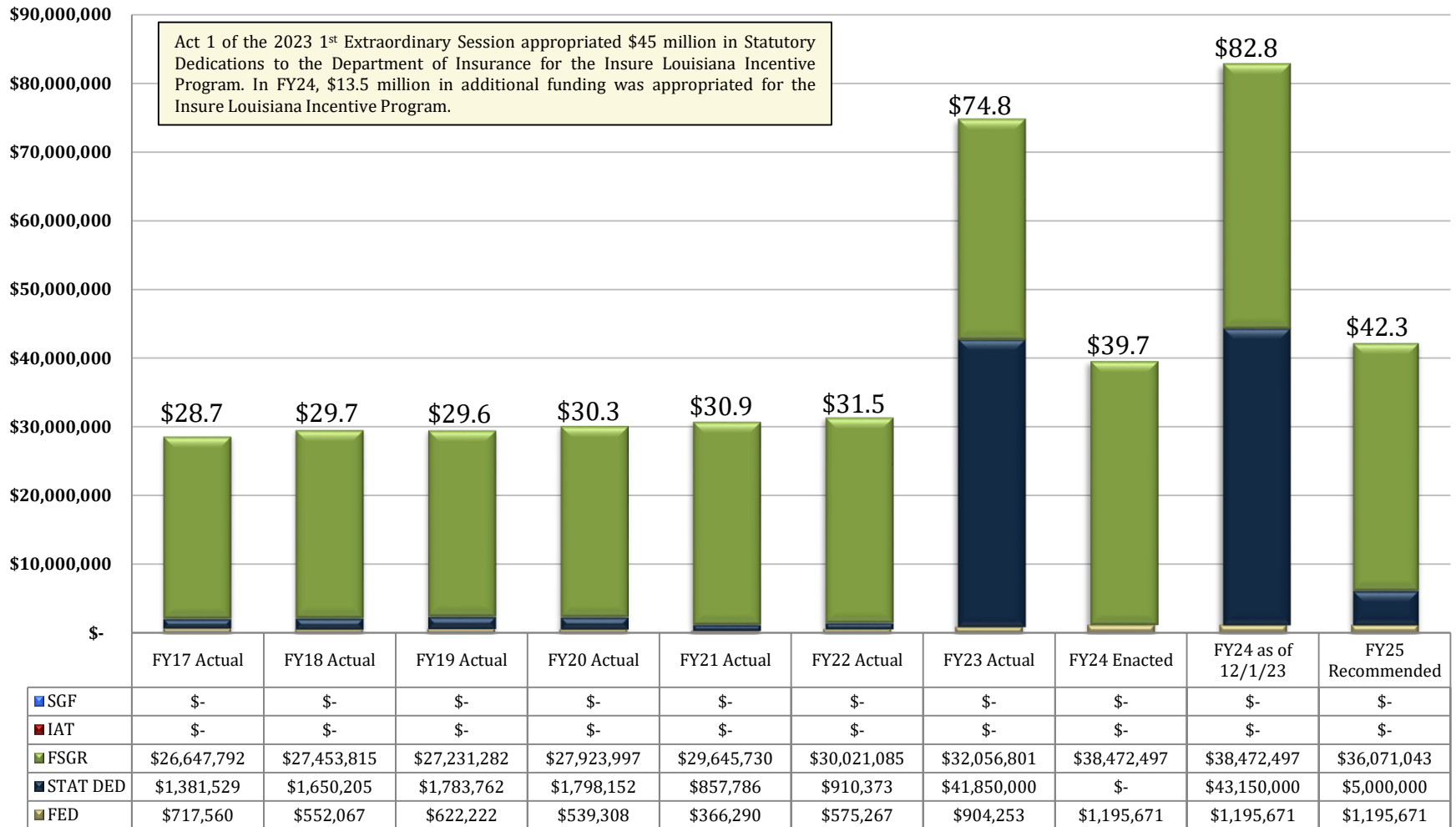
Department of Insurance

Changes in Funding since FY17

Total Budget by Fiscal Year and Means of Finance (in \$ millions)

Change from FY17 to FY23 is +161.6%. (Actual to Actual)

Change from FY17 to FY25 is +47.4%. (Actual to Recommended)



Note: In FY22, the Administrative Fund was re-classified to a Self-Generated Dedicated Fund Account. In FY23, the Insurance Fraud Fund and the Auto Theft and Insurance Fraud Prevention Authority Fund were re-classified to a Self-Generated Dedicated Fund Account.



Department of Insurance

Significant Budget Adjustments Recommended for FY25

Statewide Adjustments to Department of Insurance Budget

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$0	\$0	\$38,472,497	\$43,150,000	\$1,195,671	\$82,818,168	222	FY24 Existing Operating Budget as of 12-1-23
\$0	\$0	\$52,000	\$0	\$0	\$52,000	0	Acquisitions & Major Repairs
\$0	\$0	(\$15,609)	\$0	\$0	(\$15,609)	0	Administrative Law Judges
\$0	\$0	(\$478,825)	\$0	\$0	(\$478,825)	0	Attrition Adjustment
\$0	\$0	(\$2,680)	\$0	\$0	(\$2,680)	0	Capitol Park Security
\$0	\$0	(\$2,259)	\$0	\$0	(\$2,259)	0	Civil Service Fees
\$0	\$0	\$78,719	\$0	\$0	\$78,719	0	Civil Service Training Series
\$0	\$0	\$55,015	\$0	\$0	\$55,015	0	Group Insurance Rate Adjustment for Active Employees
\$0	\$0	\$44,090	\$0	\$0	\$44,090	0	Group Insurance Rate Adjustment for Retirees
\$0	\$0	\$5,521	\$0	\$0	\$5,521	0	Legislative Auditor Fees
\$0	\$0	\$15,625	\$0	\$0	\$15,625	0	Maintenance in State-owned Buildings
\$0	\$0	\$497,784	\$0	\$0	\$497,784	0	Market Rate Adjustment
\$0	\$0	(\$699,692)	\$0	\$0	(\$699,692)	0	Non-recurring Acquisitions & Major Repairs
\$0	\$0	(\$3,355)	\$0	\$0	(\$3,355)	0	Office of State Procurement
\$0	\$0	(\$49,941)	\$0	\$0	(\$49,941)	0	Office of Technology Services (OTS)
\$0	\$0	(\$94,848)	\$0	\$0	(\$94,848)	0	Related Benefits Base Adjustment
\$0	\$0	(\$998,591)	\$0	\$0	(\$998,591)	0	Retirement Rate Adjustment
\$0	\$0	\$6,245	\$0	\$0	\$6,245	0	Risk Management
\$0	\$0	\$56,510	\$0	\$0	\$56,510	0	Salary Base Adjustment
\$0	\$0	(\$2,190)	\$0	\$0	(\$2,190)	0	State Treasury Fees
\$0	\$0	(\$753)	\$0	\$0	(\$753)	0	UPS Fees
\$0	\$0	(\$1,537,234)	\$0	\$0	(\$1,537,234)	0	Total Statewide Adjustments
\$0	\$0	(\$2,835,000)	(\$13,150,000)	\$0	(\$15,985,000)	0	Total Non-recurring Other Adjustments
\$0	\$0	\$1,970,780	(\$25,000,000)	\$0	(\$23,029,220)	8	Total Other Adjustments
\$0	\$0	\$36,071,043	\$5,000,000	\$1,195,671	\$42,266,714	230	Total FY25 Recommended Budget
\$0	\$0	(\$2,401,454)	(\$38,150,000)	\$0	(\$40,551,454)	8	Total Adjustments (Statewide and Agency-Specific)



Department of Insurance

Non-Statewide Adjustments for FY25

Non-Recurring Other Adjustments

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$0	\$0	(\$2,750,000)	\$0	\$0	(\$2,750,000)	0	Non-recurs one time funding for exterior waterproofing and reroofing of the Poydras Building.
\$0	\$0	\$0	(\$13,150,000)	\$0	(\$13,150,000)	0	Non-recurs one time funding for the Insure Louisiana Incentive Program. This was funded from Statutory Dedications out of the Insure Louisiana Incentive Program Fund.
\$0	\$0	(\$85,000)	\$0	\$0	(\$85,000)	0	Non-recurs the remaining portion of a two year grant that was used for outreach and education efforts of the Fortify Homes Program.
\$0	\$0	(\$2,835,000)	(\$13,150,000)	\$0	(\$15,985,000)	0	Total Non-Recurring Other Adjustments

Other Adjustments

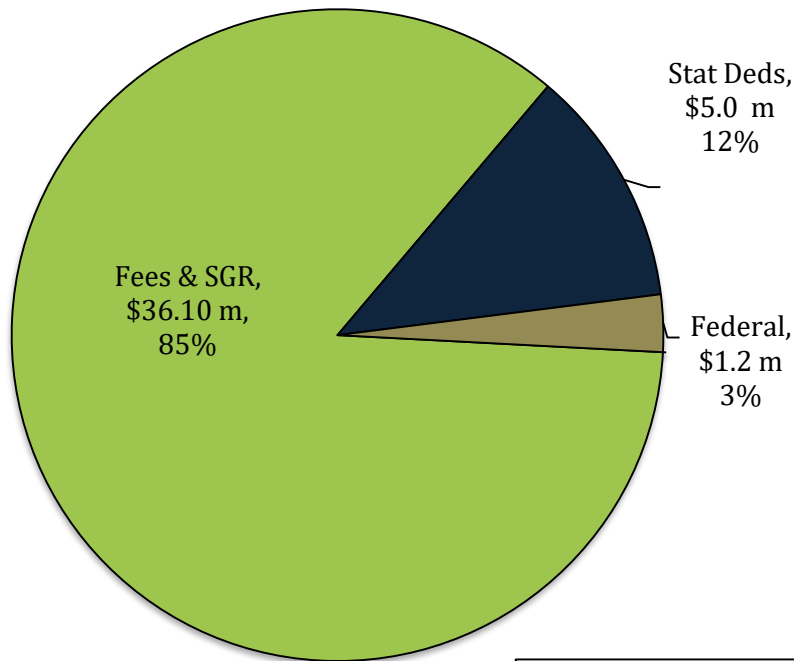
State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$0	\$0	\$387,382	\$0	\$0	\$387,382	4	Funding for four (4) authorized Table of Organization positions in the Market Compliance Program to provide grant and contract review over the Fortify Homes grant program.
\$0	\$0	\$91,084	\$0	\$0	\$91,084	1	Funding for one (1) authorized Table of Organization position in the Administrative/Fiscal Program for the Diversity and Opportunity division.
\$0	\$0	\$77,846	\$0	\$0	\$77,846	1	Funding for one (1) authorized Table of Organization position in the Administrative/Fiscal Program for the Policy, Innovation, and Research division.
\$0	\$0	\$229,278	\$0	\$0	\$229,278	2	Funding for two (2) authorized Table of Organization positions in the Market Compliance Program for the Property and Casualty division.
\$0	\$0	\$85,000	\$0	\$0	\$85,000	0	Increase in funding for a contract with a claims adjuster company to provide expertise in the review of roof evaluations for the Fortify Homes Program.
\$0	\$0	\$120,000	\$0	\$0	\$120,000	0	Increase in funding for a professional services contract to provide independent review of the Fortify Homes Program.
\$0	\$0	\$125,000	\$0	\$0	\$125,000	0	Increase in funding for media and advertising of department initiatives.
\$0	\$0	\$647,690	\$0	\$0	\$647,690	0	Increase in funding for replacement acquisitions of computers, servers, printers, and network hardware. The department is maintaining a five year replacement cycle for these types of equipment.
\$0	\$0	\$149,500	\$0	\$0	\$149,500	0	Increase in information technology network security contract costs and the TeamMate database subscription.
\$0	\$0	\$58,000	\$0	\$0	\$58,000	0	Increase in travel budget funding for the Deputy Commissioner in the Office of Policy, Innovation, and Research to attend national and regional NAIC meetings, and additional funding to allow for employee attendance at additional training seminars and courses.
\$0	\$0	\$0	(\$25,000,000)	\$0	(\$25,000,000)	0	Reduces funding for the Fortify Homes Program to \$5 million based on expected expenditures remaining. This is funded from Statutory Dedications out of the Louisiana Fortify Homes Program Fund.
\$0	\$0	\$1,970,780	(\$25,000,000)	\$0	(\$23,029,220)	8	Total Other Adjustments



Department of Insurance

FY25 Recommended Means of Finance

**FY25 Recommended
Total Means of Finance**
(In Millions)



Total \$42.3m.

Non-SGF Sources of Funding:

Non-SGF means of finance in the department include **Fees and Self-generated Revenues and Federal Funds**.

Fees and Self-generated Revenues are derived from various fees and licenses authorized by R.S. 22:821; Assessments on various insurance policies written in Louisiana; **Funds re-classified as Fees and Self-generated Revenues:** Insurance Fraud Investigation Dedicated Fund Account (Per R.S. 40:1428); Administrative Dedicated Fund Account (Per R.S. 22:1071(D)(3)(b); Automobile Theft and Insurance Fraud Prevention Authority Dedicated Fund Account (Per R.S. 22:2134).

Federal Funds are derived from the Catalog of Federal Domestic Assistance (CFDA) 93.324 Department of Health & Human Services Administration for Community Living CDAP State Health Insurance Assistance Program.



Categorical Expenditures

Examples of Categories

Departments expend funding in the five major categories listed below.

Personal Services

- Salaries – Regular, overtime, and termination pay for Classified and Unclassified personnel.
- Other Compensation – Wages, student labor, compensation for board members and/or board of trustees, evening instruction, university instructors, etc.
- Related Benefits – Retirement contributions, post-retirement contributions/benefits, FICA tax, Medicare tax, group insurance contributions, compensated absences, other related benefits, taxable fringe benefits, etc.

Total Operating Expenses

- Travel – In-state and Out-of-state, including meal reimbursement.
- Operating Services – Advertising, printing, insurance, maintenance, rentals, data processing, internet costs, dues and subscriptions, mail delivery, telephones, data lines, vehicle tracking and telematics, utilities, depreciation, amortization, banking services, credit card fees, etc.
- Supplies – office supplies and equipment, computers, clothing and uniforms, medical, pharmaceutical, food, automotive, repair and maintenance, software, etc.

Professional Services – Accounting, auditing, management consulting, engineering, architectural, legal, medical and dental, veterinary, information technology, etc.

Total Other Charges

- Other Charges – Aid to school boards, local government, etc.; public assistance; miscellaneous charges; judgments, fines, and penalties; interest on judgments; punitive/compensatory damages; OC personal services, operating expenses, professional services; contract attorney expenses; recoupments; furlough; contractual services; interest expense; claim payments; commercial group insurance; reinsurance; loans issued; disbursements; etc.
- Debt Service – Principal, interest, related charges, reserve requirement, amortization, and bond premiums.
- Interagency Transfer Line-Item Expenditure – Any expenses paid for with Interagency Transfers – from commodities and services to equipment.

Acquisitions and Major Repairs

- Acquisitions – Land; buildings; automobiles; aircraft; accessories; equipment; software; hardware; farm and heavy equipment; boats; capital outlay expenditures; construction; etc.
- Major Repairs – Land improvement; buildings; automotive; grounds; boats; aircraft; movable equipment; farm equipment; medical; office; library; education; recreation; communication; other equipment; pollution remediation; etc.



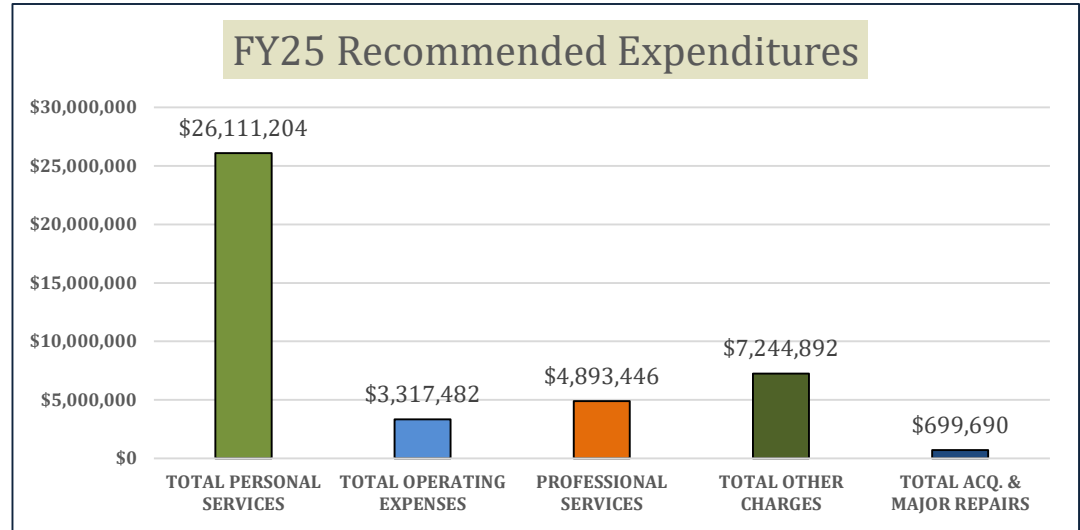
Department of Insurance

Categorical Expenditures at FY25 Recommended

The largest expenditure category in Insurance for FY25 Recommended is Total Personal Services at 62 percent of the budget.

Within this category, Salaries make up 64 percent of expenditures, while Related Benefits contributes 34 percent.

Total Other Charges make up 17 percent of expenditures and includes \$5 million for the Fortify Homes Program.



Categorical Expenditures	FY23 Actual	FY24 Enacted	FY24 EOB as of 12/01/23	FY25 Recommended	Difference FY24 EOB vs. FY25 REC
Salaries	\$15,667,534	\$16,029,642	\$16,029,642	\$16,646,325	\$616,683
Other Compensation	\$314,070	\$484,702	\$484,702	\$484,702	\$0
Related Benefits	\$8,668,069	\$9,651,416	\$9,651,416	\$8,980,177	(\$671,239)
TOTAL PERSONAL SERVICES	\$24,649,674	\$26,165,760	\$26,165,760	\$26,111,204	(\$54,556)
Travel	\$176,835	\$242,313	\$242,313	\$300,313	\$58,000
Operating Services	\$2,519,816	\$2,724,245	\$2,724,245	\$2,873,745	\$149,500
Supplies	\$252,122	\$143,424	\$143,424	\$143,424	\$0
TOTAL OPERATING EXPENSES	\$2,948,773	\$3,109,982	\$3,109,982	\$3,317,482	\$207,500
PROFESSIONAL SERVICES	\$2,616,839	\$4,648,446	\$4,648,446	\$4,893,446	\$245,000
Other Charges	\$42,020,153	\$227,000	\$43,377,000	\$5,227,000	(\$38,150,000)
Debt Service	\$0	\$0	\$0	\$0	\$0
Interagency Transfers	\$1,933,250	\$4,817,288	\$4,817,288	\$2,017,892	(\$2,799,396)
TOTAL OTHER CHARGES	\$43,953,403	\$5,044,288	\$48,194,288	\$7,244,892	(\$40,949,396)
Acquisitions	\$642,365	\$699,692	\$699,692	\$699,690	(\$2)
Major Repairs	\$0	\$0	\$0	\$0	\$0
TOTAL ACQ. & MAJOR REPAIRS	\$642,365	\$699,692	\$699,692	\$699,690	(\$2)
TOTAL EXPENDITURES	\$74,811,054	\$39,668,168	\$82,818,168	\$42,266,714	(\$40,551,454)



Commissioner of Insurance

FY25 Recommended Categorical Expenditures

Interagency Transfers

\$82,714	Civil Service Fees
\$13,840	UPS fees
\$3,857	Treasury Banking fees
\$208,528	Capitol Park Security
\$100,371	Legislative Auditor Fees
\$14,792	Office of State Procurement
\$290,973	Office of Risk Management Fees
\$701,496	Maintenance in State-Owned Buildings
\$7,934	LWC - Unemployment Compensation
\$268	Replacement Badges
\$23,089	Printing
\$2,108	Postage and Supplies
\$63,029	Division of Administration - Telecommunication Services
\$108,624	Office of Technology Services (OTS)
\$276,041	Division of Administrative Law Fees
\$2,111	Postage
\$20,000	Legal services provided by the Department of Justice
\$13,516	Division of Administration - Telecommunication Services
\$84,601	Advertising

Other Charges

\$227,000	Automobile Theft & Fraud Prevention
\$5,000,000	Fortify Homes Program

Professional Services

\$806,722	Professional Services to assist the department in information technology projects, on-site training, public awareness, one on one counseling sessions with beneficiaries, caregivers, advocates and Medicare professionals, and any other projects
\$619,182	IT Consulting from sources outside of state government
\$25,593	Legal services
\$125,000	Media and advertising
\$168,713	Legal services
\$257,261	Professional services to assist in IT projects, on-site training, public awareness, actuarial rate review, and any other projects
\$2,770,975	Accounting and auditing
\$120,000	Fortify Homes Program independent review

Acquisitions and Major Repairs

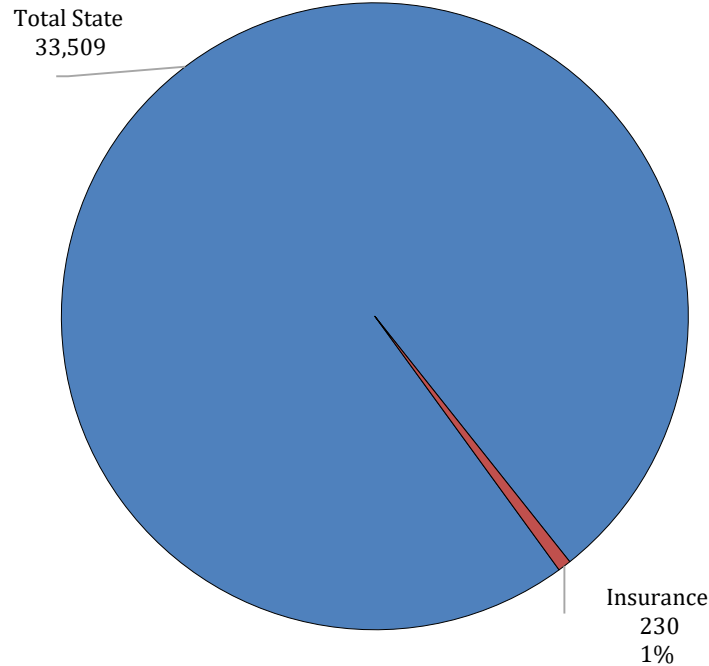
\$647,690	Computers, Servers, Printers, Storage, and Peripherals
\$52,000	Replacement of one (1) vehicle



Commissioner of Insurance

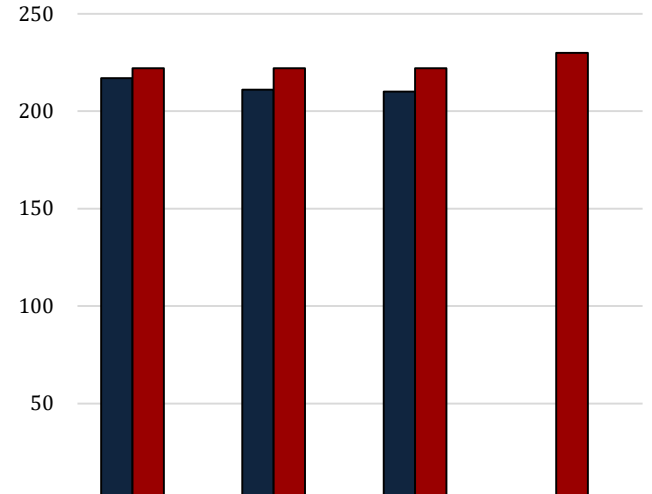
FTEs, Authorized T.O., and Other Charges Positions

FY25 Recommended Department Employees as a portion of FY25 Recommended Total State Employees



FY24 number of funded, but not filled,
positions as of January 2024 = 11

Number and Types of Positions



■ Total FTEs (1st July Report)
■ Authorized T.O. Positions
■ Other Charges Positions

	2022	2023	2024	2025 REC
Total FTEs (1st July Report)	217	211	210	-
Authorized T.O. Positions	222	222	222	230
Other Charges Positions	-	-	-	-

The full-time equivalent or **FTE** definition refers to the number of hours considered full-time. For example, if an agency considers 40 hours full time, and there are two employees working 20 hours per week, those two employees would be 1.0 FTE.

Authorized Positions are those referred to in the Table of Organization (or T.O.) for each department. This count includes only those positions paid for from the Salaries expenditure category for the organization units and agencies included in each department's appropriation. This excludes positions paid for from other expenditure categories, such as wages or per diem.

Other Charges positions are authorized under R.S. 39:2(5)(b) ...

(5)(b) "Authorized other charges positions" means the number of positions in an appropriation bill to be funded by the other charges continuing category of the accounting system for the state. The number may be adjusted during a fiscal year in accordance with law.

- [Act 377 of 2013 by Rep. Burrell]
- Positions coded in the Other Charges expenditure category
- These positions are usually associated with federal grants



Commissioner of Insurance

Related Employment Information

Salaries and Related Benefits for the 230 Authorized Positions are listed below in Chart 1.
In Chart 2, benefits are broken out to show the portion paid for active versus retired employees.
This is where payments for the Unfunded Accrued Liability (UAL) can be found.

1.

Personal Services	2022 Actual	2023 Actual	2024 Enacted	2025 Recommended
Salaries	\$15,018,184	\$15,667,534	\$16,029,642	\$16,646,325
Other Compensation	\$239,726	\$314,070	\$484,702	\$484,702
Related Benefits	\$8,205,839	\$8,668,069	\$9,651,416	\$8,980,177
Total Personal Services	\$23,463,750	\$24,649,674	\$26,165,760	\$26,111,204

Average T.O. Salary = \$73,674

Examples of Other Compensation include pay for WAE employees, part-time employees, student workers, etc.

2.

Related Benefits FY25 Recommended	Total Funding	%
Total Related Benefits	\$8,980,177	
UAL payments	\$4,477,998	50%
Retiree Health Benefits	\$1,370,090	
Remaining Benefits*	\$3,132,089	
Means of Finance	General Fund = 0%	Other = 100%

Department Demographics	Total	%
Gender		
Female	132	62.3
Male	80	37.7
Race/Ethnicity		
White	123	58
Black	86	41
Other	3	1
Currently in DROP or Eligible to Retire	56	26

* Remaining Benefits include employer contribution to authorized positions' retirement, health, Medicare, FICA, Emoluments etc. The authorized positions include authorized T.O. positions and authorized other charges positions, both filled and vacant.

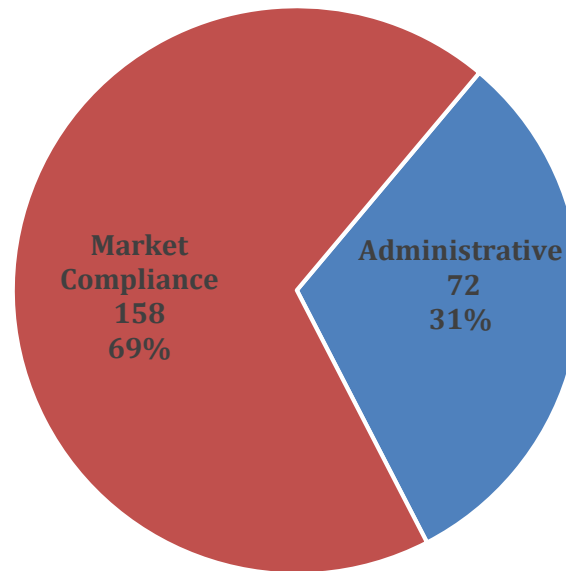
Other Charges Benefits
\$0



Department of Insurance

FY25 Recommended Total Authorized Positions by Agency

Market Compliance - These positions include the Office of Financial Solvency, Consumer Services, Licensing, Health, Life & Annuity, and Property & Casualty. The remaining positions are in Legal Services and the Division of Insurance Fraud.



Administrative - This includes positions for the Office of Management & Finance which administers the entire department. The remaining positions work in the Office of the Commissioner and participate in overall support and regulatory oversight.

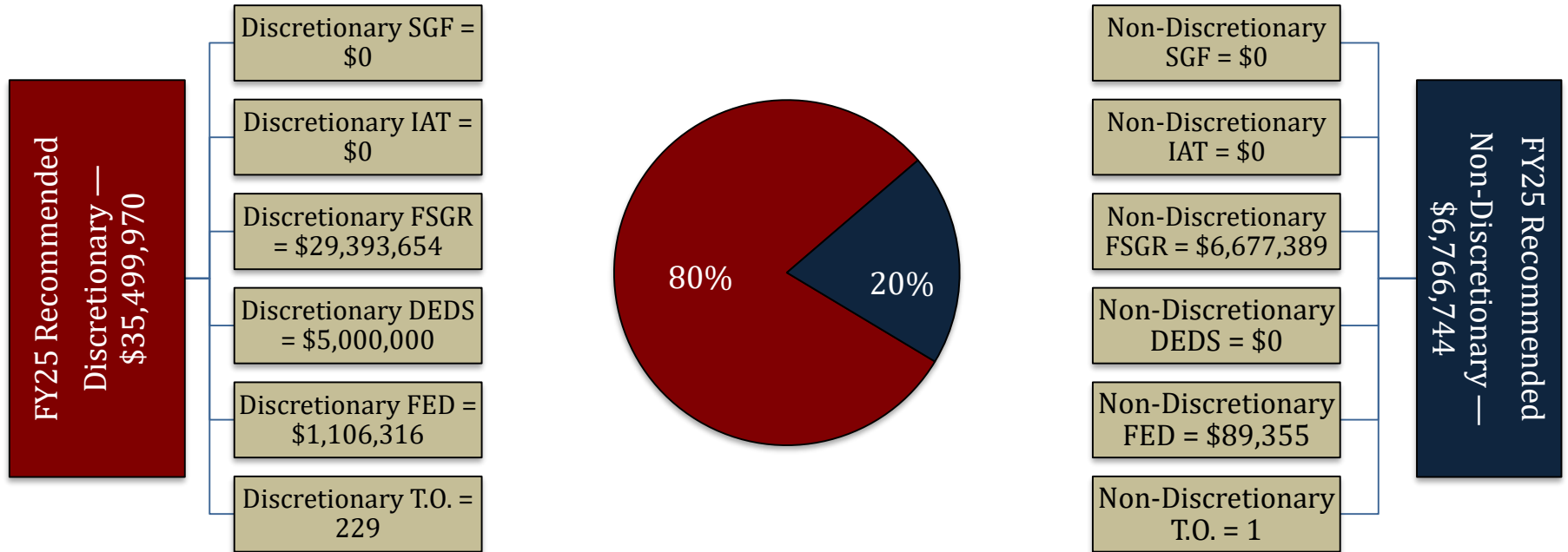
■ Administrative ■ Market Compliance

Dept. of Insurance	
Administrative	72
Market Compliance	158
TOTAL	230



Department of Insurance

FY25 Discretionary/Non-Discretionary Comparison



Total Discretionary Funding by Office		
Administrative	\$ 12,997,264	37%
Market Compliance	\$ 22,502,706	63%
Total Discretionary	\$ 35,499,970	100%

Total Non-Discretionary Funding by Type		
Required by the Constitution	\$ 4,594,787	68%
Unavoidable Obligations	\$ 2,171,957	32%
Total Non-Discretionary	\$ 6,766,744	100%

Required by the Constitution = State Retirement Systems UAL;

Commissioner's salary

Unavoidable Obligations = Retirees Group Insurance;

Legislative Auditor Fees; Maintenance in State-owned Buildings



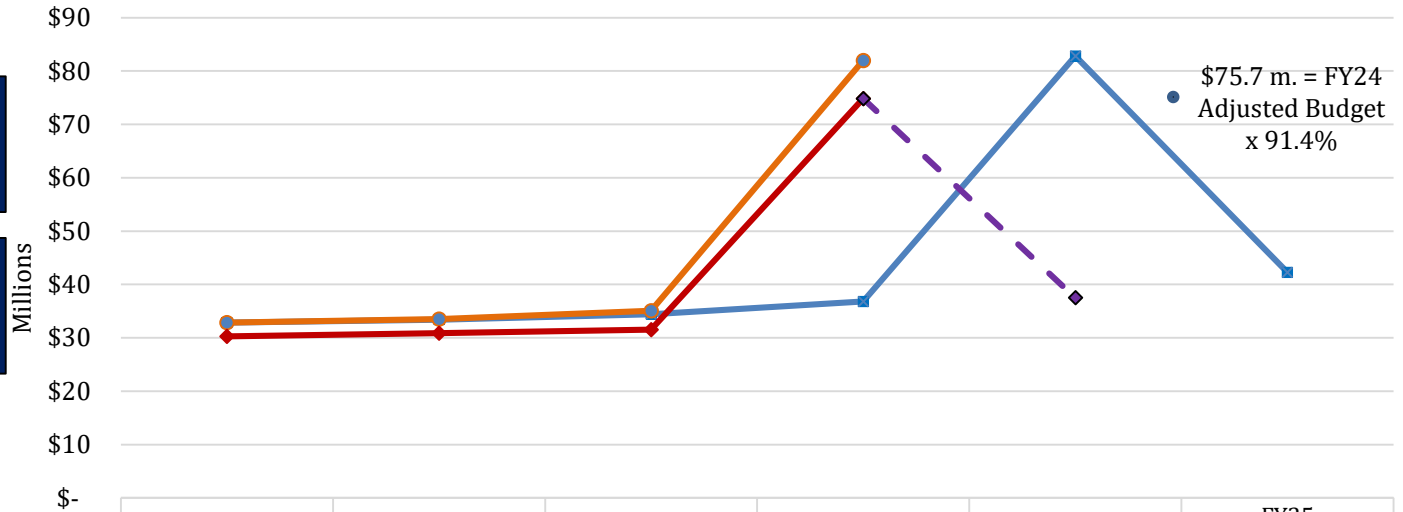
04-165 Commissioner of Insurance

Enacted & FYE Budget vs. Actual Expenditures FY20 to FY23

FYE Budget = "Fiscal Year End" Budget includes all in-house and regular BA-7s through June 30 of the fiscal year. For FY24, it is as of January.

FY24 Known Supplemental Needs:
\$0

FY24 General Fund Reversions:
\$0



	FY20	FY21	FY22	FY23	FY24 EOB	FY25 Recommended
Enacted Budget	\$32,829,836	\$33,422,842	\$34,424,047	\$36,804,637	\$82,818,168	\$42,266,714
FYE Budget	\$32,829,836	\$33,497,842	\$35,051,771	\$81,969,637		
Actual Expenditures	\$30,261,457	\$30,869,806	\$31,506,725	\$74,811,054		
FY23 Expenditure Trend				\$74,811,054	\$37,473,699	

Monthly Budget Activity

	FY24 Adjusted Budget	FY24 Aggregate Expenditures	Remaining Budget Authority	Percent Expended To Date
Jul-23	\$ 39,668,168	\$ 1,859,595	\$ 37,808,573	4.7%
Aug-23	\$ 82,818,168	\$ 5,513,612	\$ 77,304,556	6.7%
Sep-23	\$ 82,818,168	\$ 7,924,837	\$ 74,893,331	9.6%
Oct-23	\$ 82,818,168	\$ 12,977,515	\$ 69,840,653	15.7%
Nov-23	\$ 82,818,168	\$ 16,502,626	\$ 66,315,542	19.9%
Dec-23	\$ 82,818,168	\$ 18,822,901	\$ 63,995,267	22.7%
Jan-24	\$ 82,818,168	\$ 21,859,658	\$ 60,958,510	26.4%

Monthly Budget Activity

	FY24 Adjusted Budget	FY24 Aggregate Expenditures	Remaining Budget Authority	Percent Expended To Date
<i>(Trend based on average monthly expenditures to date)</i>				
Feb-24	\$ 82,818,168	\$ 24,982,466	\$ 57,835,702	30.2%
Mar-24	\$ 82,818,168	\$ 28,105,275	\$ 54,712,893	33.9%
Apr-24	\$ 82,818,168	\$ 31,228,083	\$ 51,590,085	37.7%
May-24	\$ 82,818,168	\$ 34,350,891	\$ 48,467,277	41.5%
Jun-24	\$ 82,818,168	\$ 37,473,699	\$ 45,344,469	45.2%

Historical Year End Average

91.4%

Note: The Department of Insurance states that the aggregate amounts shown do not reflect expenditures for Fortify Homes Program and the Insure LA Incentive Program. According to the Department, the expenditures for both programs will increase substantially in February and March. These payments will significantly reduce the remaining budget authority shown.