



Louisiana Senate Finance Committee



FY26 Executive Budget

**04-165 – Department of
Insurance**

March 2025

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



FY26 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

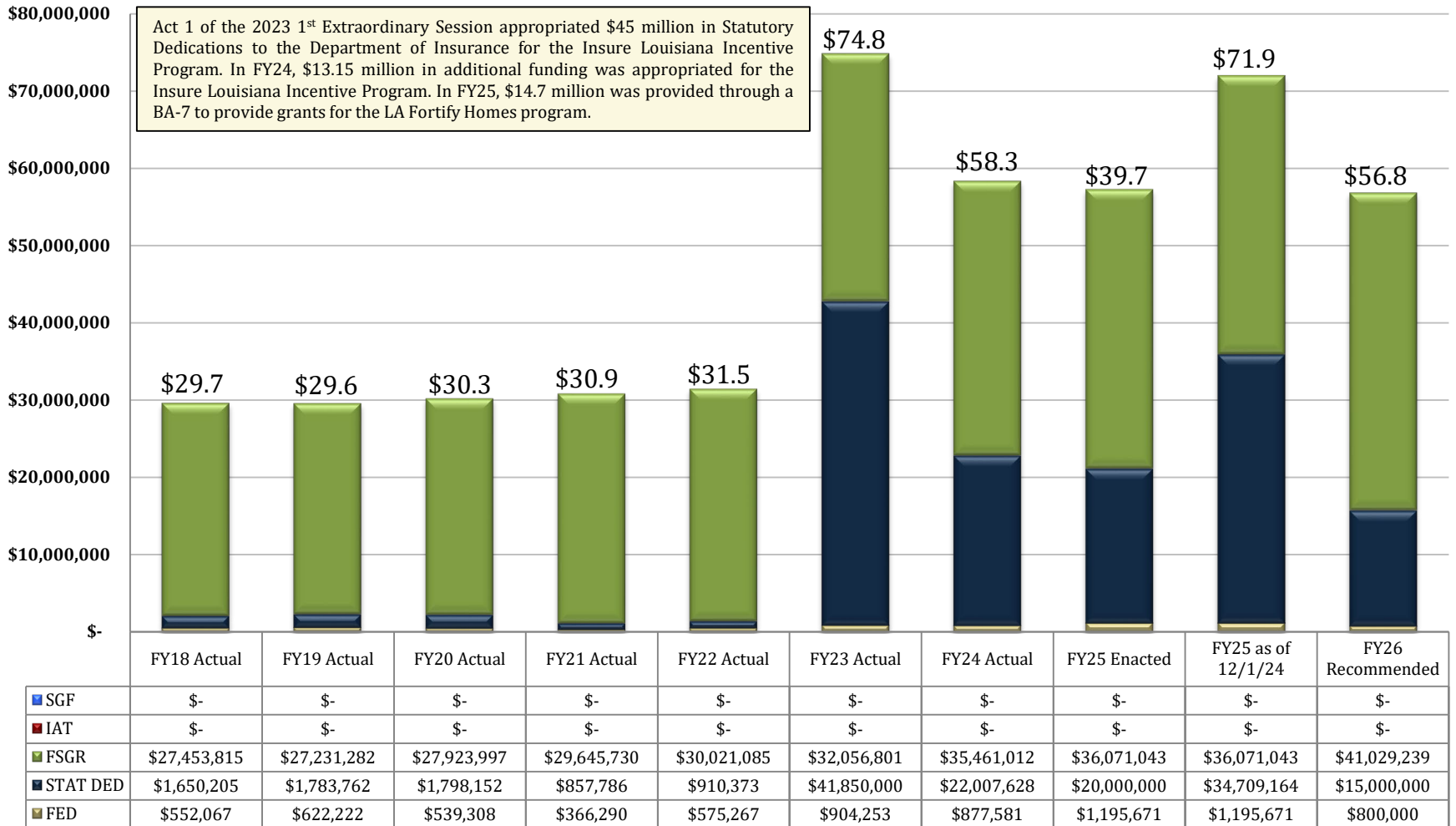
Changes in Funding since FY18

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

Change from FY18 to FY26 is +91.2%. (Actual to Recommended)

Change from FY18 to FY24 is +96.3%. (Actual to Actual)

Act 1 of the 2023 1st Extraordinary Session appropriated \$45 million in Statutory Dedications to the Department of Insurance for the Insure Louisiana Incentive Program. In FY24, \$13.15 million in additional funding was appropriated for the Insure Louisiana Incentive Program. In FY25, \$14.7 million was provided through a BA-7 to provide grants for the LA Fortify Homes program.



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 FY26

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	\$36,071,043	\$34,709,164	\$1,195,671	\$71,975,878	230	FY25 Existing Operating Budget as of 12-1-24
\$0	\$0	\$727,612	\$0	\$0	\$727,612	0	Acquisitions & Major Repairs
\$0	\$0	(\$212,484)	\$0	\$0	(\$212,484)	0	Administrative Law Judges
\$0	\$0	(\$510,671)	\$0	\$0	(\$510,671)	0	Attrition Adjustment
\$0	\$0	(\$79,545)	\$0	\$0	(\$79,545)	0	Capitol Park Security
\$0	\$0	\$9,410	\$0	\$0	\$9,410	0	Civil Service Fees
\$0	\$0	\$85,553	\$0	\$0	\$85,553	0	Civil Service Training Series
\$0	\$0	\$72,544	\$0	\$0	\$72,544	0	Group Insurance Rate Adjustment for Active Employees
\$0	\$0	\$53,090	\$0	\$0	\$53,090	0	Group Insurance Rate Adjustment for Retirees
\$0	\$0	\$12,204	\$0	\$0	\$12,204	0	Legislative Auditor Fees
\$0	\$0	\$46,044	\$0	\$0	\$46,044	0	Maintenance in State-owned Buildings
\$0	\$0	\$483,611	\$0	\$0	\$483,611	0	Market Rate Adjustment
\$0	\$0	(\$699,690)	\$0	\$0	(\$699,690)	0	Non-recurring Acquisitions & Major Repairs
\$0	\$0	(\$3,010)	\$0	\$0	(\$3,010)	0	Office of State Procurement
\$0	\$0	(\$7,254)	\$0	\$0	(\$7,254)	0	Office of Technology Services (OTS)
\$0	\$0	\$231,017	\$0	\$0	\$231,017	0	Related Benefits Base Adjustment
\$0	\$0	(\$258,266)	\$0	\$0	(\$258,266)	0	Retirement Rate Adjustment
\$0	\$0	\$34,714	\$0	\$0	\$34,714	0	Risk Management
\$0	\$0	\$674,690	\$0	\$0	\$674,690	0	Salary Base Adjustment
\$0	\$0	(\$397)	\$0	\$0	(\$397)	0	State Treasury Fees
\$0	\$0	(\$817)	\$0	\$0	(\$817)	0	UPS Fees
\$0	\$0	\$658,355	\$0	\$0	\$658,355	0	Total Statewide Adjustments
\$0	\$0	\$4,299,841	(\$19,709,164)	(\$395,671)	(\$15,804,994)	2	Total Other Adjustments
\$0	\$0	\$41,029,239	\$15,000,000	\$800,000	\$56,829,239	232	Total FY26 Recommended Budget
\$0	\$0	\$4,958,196	(\$19,709,164)	(\$395,671)	(\$15,146,639)	2	Total Adjustments (Statewide and Agency-Specific)



Department of Insurance

Non-Statewide Adjustments for FY26

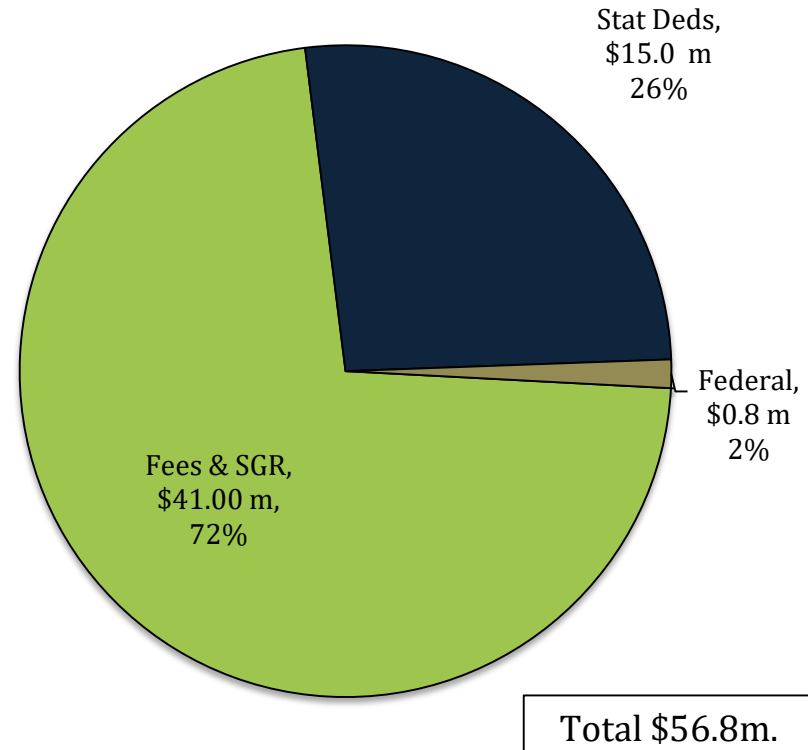
Other Adjustments

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$0	\$0	\$15,000	\$0	\$0	\$15,000	0	Additional printing services for the Administrative/Fiscal Program for reprinting of publications, in addition to new publications to address the increasing number of public-facing programs and points of emphasis.
\$0	\$0	\$1,000,000	\$0	\$0	\$1,000,000	0	Conducts actuarial analysis of auto premium rates and workers' compensation rates to determine forces contributing to high rates in Louisiana and identify efficient actions to mitigate them.
\$0	\$0	\$350,000	\$0	\$0	\$350,000	0	Conducts multiple market conduct examinations running simultaneously.
\$0	\$0	\$395,000	\$0	\$0	\$395,000	0	Contractor(s) to assist with review and performance analysis to help with meeting examination deadlines; perform Managing General Agent (MGA) and reinsurance exams; to perform Life and Long-term care actuarial reviews; to conduct examination and analysis training for newer analysts/examiners.
\$0	\$0	\$200,000	\$0	\$0	\$200,000	0	Develops and implements artificial intelligence/machine learning initiatives to improve regulatory efficiency.
\$0	\$0	\$190,750	\$0	\$0	\$190,750	0	Increase in conference travel to provide opportunities for staff to attend various educational events to ensure employees stay current with new regulatory challenges and keep up to date with industry standards and regulatory requirements. Increases regulatory travel for the financial and market conduct examinations of insurers.
\$0	\$0	\$345,328	\$0	\$0	\$345,328	0	Increase in cost for cell and internet service for electronic devices, annual dues for organization memberships, application maintenance, and software licenses.
\$0	\$0	\$66,000	\$0	\$0	\$66,000	0	Increase in cost for general office supplies within the Office of Management and Finance.
\$0	\$0	\$1,014,553	\$0	\$0	\$1,014,553	0	Increases Insurance Fraud Investigation Fund Account account to match anticipated collections. Act 340 of the 2024 Regular Legislative Session authorized the fraud units of the Department of Insurance, Department of Justice, and the Department of Public Safety to sign a written agreement (MOU) to adjust the amounts that are currently projected. Funds fund will be spent on, travel, AI support, supplies, cyber security, anti-fraud, and public awareness.
\$0	\$0	\$150,000	\$0	\$0	\$150,000	0	Multiple contracts to include: a digital media contract to improve outreach to Louisiana citizens; a communications strategy contract to augment LDI's communication to Louisiana citizens; media buying contract(s) for advertising of public-facing programs including Fortify Homes Program, Wind Mitigation, Program, new LDI app, etc.
\$0	\$0	\$65,508	\$0	\$0	\$65,508	1	Provides one Accounting Technician in the Fiscal Division to handle increasing volume of payments for the Louisiana Fortify Homes Program.
\$0	\$0	\$107,702	\$0	\$0	\$107,702	1	Provides one Insurance Specialist 4 in the Market Conduct to serve as a lead over market conduct examinations.
\$0	\$0	\$0	\$0	(\$395,671)	(\$395,671)	0	Reduces federal funds for the State Health Insurance Assistance Program (SHIP) down to the base grant award. The SHIP division is entering a new 5-year grant cycle beginning April 1, 2024 through March 31, 2029 and will not have a balance to carry forward because of the new grant period.
\$0	\$0	\$0	(\$19,709,164)	\$0	(\$19,709,164)	0	Reduces funding for the Fortify Homes Program to \$15 million due to projected revenue available. A prior year balance was appropriated by BA-7 in FY25. The department anticipates expending this balance in the current year. The source of funding is statutory dedications out of the Fortify Homes Program Fund.
\$0	\$0	\$400,000	\$0	\$0	\$400,000	0	Under the Affordable Care Act, the state is required to select a base benchmark plan, a contractor will perform the analysis needed to support design of a new benchmark.
\$0	\$0	\$4,299,841	(\$19,709,164)	(\$395,671)	(\$15,804,994)	2	Total Other Adjustments



Department of Insurance FY26 Recommended Means of Finance

**FY26 Recommended
Total Means of Finance
(In Millions)**



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)).

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.



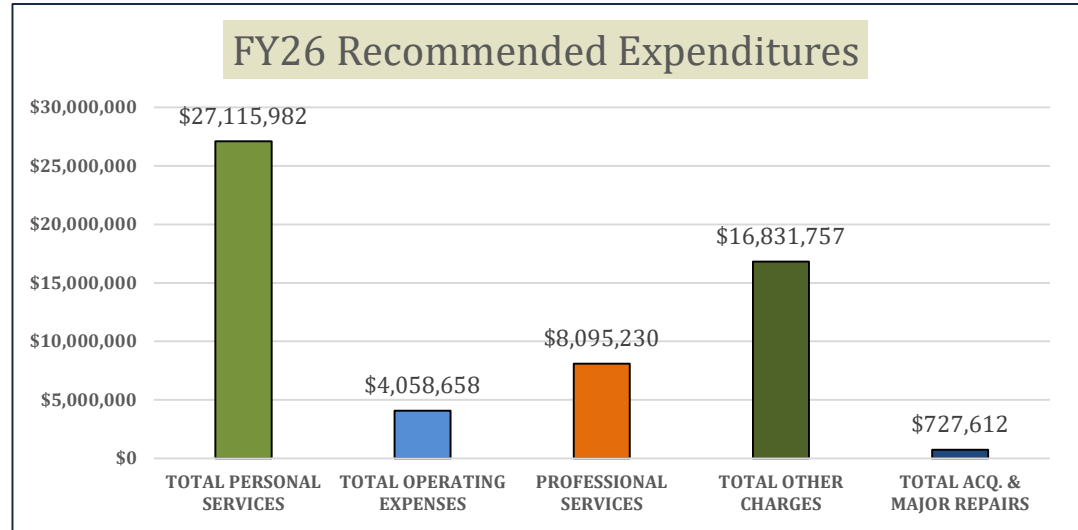
Department of Insurance

Categorical Expenditures at FY26 Recommended

The largest expenditure category in Insurance for FY26 Recommended is Total Personal Services at 48 percent of the budget.

Within this category, Salaries make up 65 percent of expenditures, while Related Benefits contributes 34 percent.

Total Other Charges make up 30 percent of expenditures and includes \$15 million for the Fortify Homes Program.



Categorical Expenditures	FY24 Actual	FY25 Enacted	FY25 EOB as of 12/01/24	FY26 Recommended	Difference FY25 EOB vs. FY26 REC
Salaries	\$15,473,044	\$16,646,325	\$16,646,325	\$17,503,283	\$856,958
Other Compensation	\$294,993	\$484,702	\$484,702	\$484,702	\$0
Related Benefits	\$8,945,143	\$8,980,177	\$8,980,177	\$9,127,997	\$147,820
TOTAL PERSONAL SERVICES	\$24,713,181	\$26,111,204	\$26,111,204	\$27,115,982	\$1,004,778
Travel	\$158,808	\$300,313	\$300,313	\$334,411	\$34,098
Operating Services	\$2,706,566	\$2,873,745	\$2,873,745	\$3,565,823	\$692,078
Supplies	\$103,377	\$143,424	\$143,424	\$158,424	\$15,000
TOTAL OPERATING EXPENSES	\$2,968,751	\$3,317,482	\$3,317,482	\$4,058,658	\$741,176
PROFESSIONAL SERVICES	\$3,138,229	\$4,893,446	\$5,120,446	\$8,095,230	\$2,974,784
Other Charges	\$22,184,782	\$20,227,000	\$34,709,164	\$15,000,000	(\$19,709,164)
Debt Service	\$0	\$0	\$0	\$0	\$0
Interagency Transfers	\$4,935,367	\$2,017,892	\$2,017,892	\$1,831,757	(\$186,135)
TOTAL OTHER CHARGES	\$27,120,149	\$22,244,892	\$36,727,056	\$16,831,757	(\$19,895,299)
Acquisitions	\$405,911	\$699,690	\$699,690	\$727,612	\$27,922
Major Repairs	\$0	\$0	\$0	\$0	\$0
TOTAL ACQ. & MAJOR REPAIRS	\$405,911	\$699,690	\$699,690	\$727,612	\$27,922
TOTAL EXPENDITURES	\$58,346,221	\$57,266,714	\$71,975,878	\$56,829,239	(\$15,146,639)



Commissioner of Insurance

FY26 Recommended Categorical Expenditures

Interagency Transfers

\$92,124	Civil Service Fees
\$13,023	Uniform Payroll (UPS) Fees
\$3,460	State Treasury Fees
\$128,983	Capitol Park Security Fees
\$112,575	Legislative Auditor Fees
\$11,782	Office of State Procurement (OSP) Fees
\$325,687	Office of Risk Management (ORM) Premiums
\$747,541	Maintenance in State-owned Buildings
\$7,934	LWC - Unemployment Compensation
\$268	Replacement Badges
\$5,089	Office of State Printing services
\$2,108	Postage and Supplies
\$92,428	Division of Administration - Telecommunication Services
\$3,600	Fees assessed for the rental of (3) laptops and enterprise device support for the State Health Insurance Program (SHIP).
\$101,370	Office of Technology Services (OTS) Fees
\$63,557	Administrative Law Judges 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

\$15,000,000	Fortify Homes Program
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Professional Services

\$667,028	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
\$619,121	IT Consulting from sources outside of state government
\$25,560	Legal services
\$219,117	Media and advertising
\$168,696	Legal services
\$1,908,271	Professional services to assist in IT projects, on-site training, public awareness, actuarial rate review, and any other projects
\$4,436,317	Accounting and auditing
\$51,120	Information technology consulting services

Acquisitions and Major Repairs

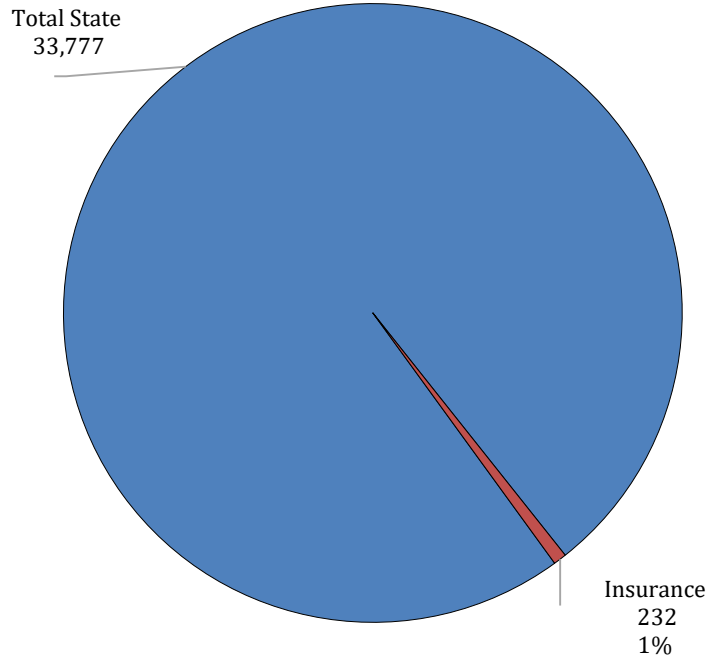
\$727,612	IT equipment, replacement of one (1) vehicle, and various office furniture.
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Commissioner of Insurance

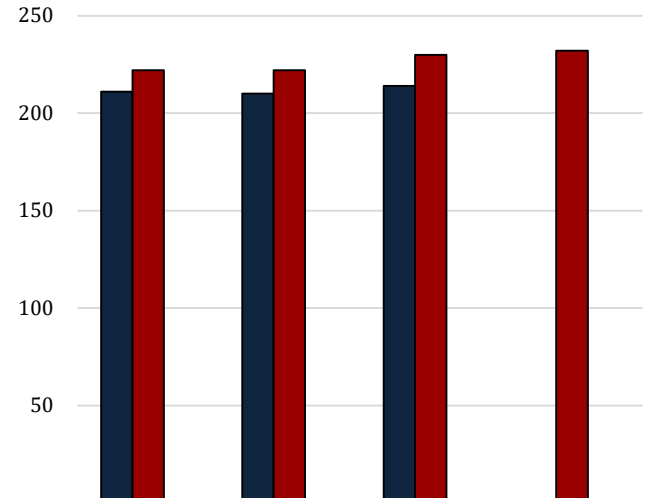
FTEs, Authorized T.O., and Other Charges Positions

FY26 Recommended Department Positions as a portion of FY26 Recommended HB1 Authorized Positions



FY24 number of funded, but not filled, positions as of January 2025 = 13

Number and Types of Positions



	2023	2024	2025	2026 Rec.
■ Total FTEs (1st July Report)	211	210	214	-
■ Authorized T.O. Positions	222	222	230	232
■ 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 232 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	2023 Actual	2024 Actual	2025 Enacted	2026 Recommended
Salaries	\$15,667,534	\$15,473,044	\$16,646,325	\$17,503,283
Other Compensation	\$314,070	\$294,993	\$484,702	\$484,702
Related Benefits	\$8,668,069	\$8,945,143	\$8,980,177	\$9,127,997
Total Personal Services	\$24,649,674	\$24,713,181	\$26,111,204	\$27,115,982

Average T.O. Salary = \$74,316

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	\$9,127,997	
UAL payments	\$4,074,600	45%
Retiree Health Benefits	\$1,423,180	
Remaining Benefits*	\$3,630,217	
Means of Finance	General Fund = 0%	Other = 100%

Department Demographics	Total	%
Gender		
Female	148	63
Male	86	37
Race/Ethnicity		
White	142	61
Black	88	38
Other	4	1
Currently in DROP or Eligible to Retire	60	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.

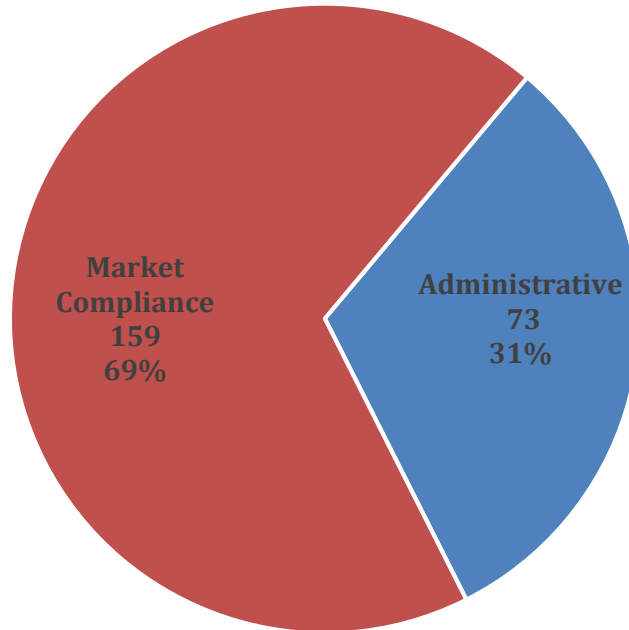
Other Charges Benefits
\$0



Department of Insurance

FY26 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.



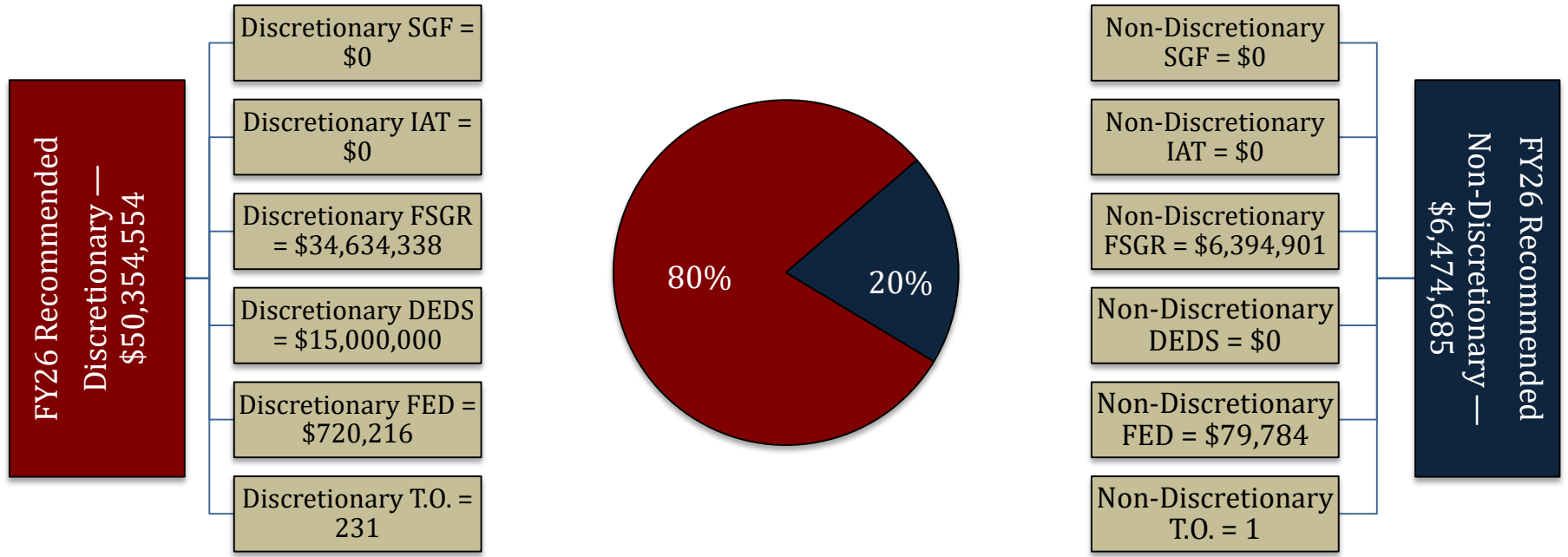
Administrative - This includes positions for the Office of Management & Finance which administers the entire department. The remaining positions work in the Office of the Commissioner and participate in overall support and regulatory oversight.

Dept. of Insurance	
Administrative	73
Market Compliance	159
TOTAL	232



Department of Insurance

FY26 Discretionary/Non-Discretionary Comparison



Total Discretionary Funding by Office		
Administrative	\$ 13,486,225	27%
Market Compliance	\$ 36,868,329	73%
Total Discretionary	\$ 50,354,554	100%

Total Non-Discretionary Funding by Type		
Required by the Constitution	\$ 4,191,389	65%
Unavoidable Obligations	\$ 2,283,296	35%
Total Non-Discretionary	\$ 6,474,685	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

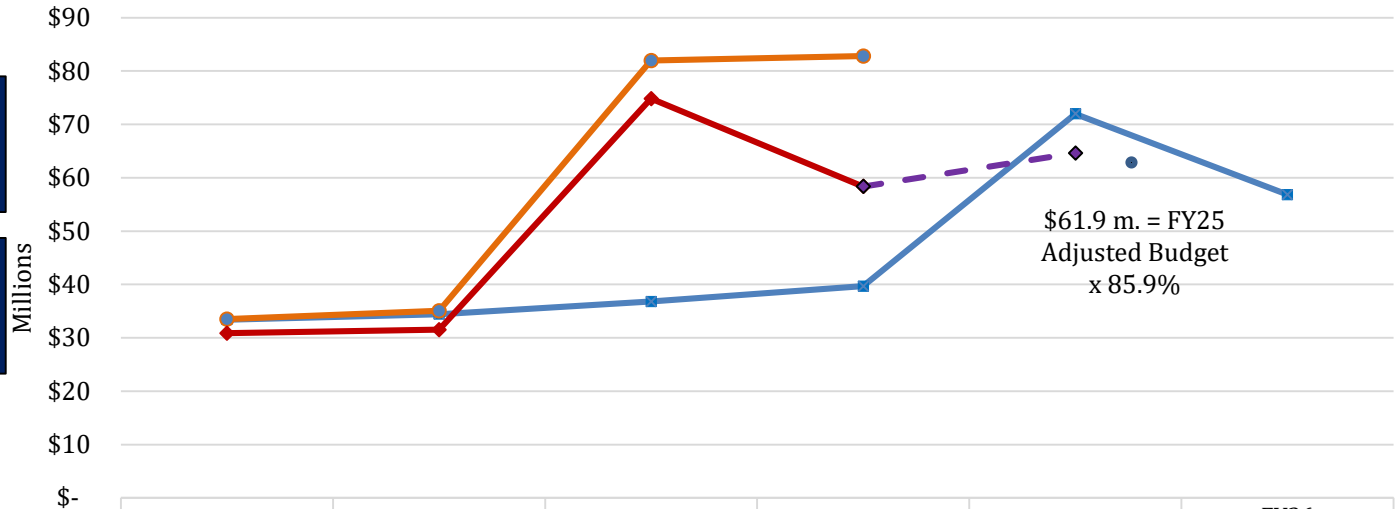


04-165 Commissioner of Insurance Enacted & FYE Budget vs. Actual Expenditures FY21 to FY24

FYE Budget = "Fiscal Year End" Budget includes all in-house and regular BA-7s through June 30 of the fiscal year. For FY25, it is as of January.

FY25 Known Supplemental Needs:
\$0

FY24 General Fund Reversions:
\$0



	FY21	FY22	FY23	FY24	FY25 EOB	FY26 Recommended
Enacted Budget	\$33,422,842	\$34,424,047	\$36,804,637	\$39,668,168	\$71,975,878	\$56,829,239
FYE Budget	\$33,497,842	\$35,051,771	\$81,969,637	\$82,818,168		
Actual Expenditures	\$30,869,806	\$31,506,725	\$74,811,054	\$58,346,221		
FY25 Expenditure Trend				\$58,346,221	\$64,637,227	

Monthly Budget Activity

	FY25 Adjusted Budget	FY25 Aggregate Expenditures	Remaining Budget Authority	Percent Expended To Date
Jul-24	\$ 57,266,714	\$ 3,640,786	\$ 53,625,928	6.4%
Aug-24	\$ 57,266,714	\$ 4,416,922	\$ 52,849,792	7.7%
Sep-24	\$ 57,266,714	\$ 4,027,281	\$ 53,239,433	7.0%
Oct-24	\$ 70,975,878	\$ 4,386,084	\$ 66,589,794	6.2%
Nov-24	\$ 70,975,878	\$ 3,172,508	\$ 67,803,370	4.5%
Dec-24	\$ 70,975,878	\$ 3,497,570	\$ 67,478,308	4.9%
Jan-25	\$ 71,195,889	\$ 3,825,886	\$ 67,370,003	5.4%

Monthly Budget Activity

	FY25 Adjusted Budget	FY25 Aggregate Expenditures	Remaining Budget Authority	Percent Expended To Date
<i>(Trend based on average monthly expenditures to date)</i>				
Feb-25	\$ 71,195,889	\$ 4,372,441	\$ 66,823,448	6.1%
Mar-25	\$ 71,195,889	\$ 4,918,996	\$ 66,276,893	6.9%
Apr-25	\$ 71,195,889	\$ 5,465,551	\$ 65,730,338	7.7%
May-25	\$ 71,195,889	\$ 6,012,107	\$ 65,183,782	8.4%
Jun-25	\$ 71,195,889	\$ 6,558,662	\$ 64,637,227	9.2%

Historical Year End Average

85.9%