



The people of Louisiana face insurance crises on several fronts. Property coverage has been unavailable and unaffordable since hurricanes Laura, Delta, Zeta and Ida devastated our state in 2020 and 2021. Flood premiums are skyrocketing following FEMA's implementation of Risk Rating 2.0. And Louisiana drivers have been stuck with the most unaffordable auto rates in America for years. The insurance status quo has been an economy killer for our state. But the tide is beginning to turn. Last year, the Louisiana Department of Insurance (LDI) worked to address the property insurance crisis and began building a stronger, more resilient state. Here is a quarterly look at the key milestones we achieved together.

## 1<sup>st</sup> Quarter (Jan/Feb/Mar)

Commissioner Tim Temple took office, marking the beginning of a new chapter for the LDI. Focusing on collaboration and innovation, Commissioner Temple met with insurers, reinsurers and other stakeholders to identify problems and develop solutions for the insurance crises facing the people of Louisiana. These early conversations laid the groundwork for the regulatory and legislative changes made in 2024 to begin addressing the challenges in our insurance market.

In its first few months, the administration concentrated on modernizing the Department and improving the LDI's regulatory reputation while maintaining our vital role of consumer protection. These regulatory changes include:

- **Improved Guidance** — Provide more helpful and specific guidance in response to questions from consumers and industry with regard to how the LDI interprets laws and regulations.
- **Self-Reporting** — Encourage licensees to self-report unintentional, minor violations and work with them to institute corrective action plans that correct the problem.
- **Rate Change Flexibility** — Encourage insurers to write insurance in Louisiana and compete on price by removing artificial caps on profit and rate filing that discourage insurers from doing business in our market.
- **Enhanced Solvency Review** — Take deeper dives into insurance companies' reinsurance programs, catastrophe modeling, policy distribution and more during the solvency review process.
- **Anti-Fraud Focus** — Broaden anti-fraud efforts to include investigation of non-licensees that may be practicing insurance without a license, and invest in innovative digital tools that expand our ability to combat fraud.

## 2<sup>nd</sup> Quarter (Apr/May/June)

In meetings with insurers, reinsurers, attorneys, consumers and other stakeholders, Commissioner Temple and LDI staff identified several barriers to improving our property insurance market by increasing competition. The LDI team then developed a comprehensive legislative package to address those barriers. The entire package was passed quickly and on a bipartisan basis, setting the stage for improvement in Louisiana's property insurance market.

- **Act 3: Fair Claims Process** — Establishes a simple, clear timeline for the catastrophe claims process and creates a grace period to resolve disputes and discourage unnecessary litigation.
- **Act 9: Amend 3-Year Rule** — This rule prevented insurers from dropping high-risk customers and was widely seen as a barrier to attracting insurers to the state. Removing the rule for new policies put us in line with every other state.
- **Act 10: File and Use** — Increases the ability for insurers to adjust rates while maintaining consumer safeguards.
- **Act 275: Fortify Homes** — Removes sunset for the Louisiana Fortify Homes Program demonstrating long-term commitment to increasing resiliency.

Following the 2024 Legislative Session, Commissioner Temple began traveling to meet with industry and other key stakeholders to share the news about Louisiana's regulatory overhaul and successful property insurance reform, demonstrating that our state is open for business. In June, he met with Speaker Mike Johnson and several members of our Congressional delegation to discuss property insurance, flood insurance and more.



# 3<sup>rd</sup> Quarter (Jul/Aug/Sept)

A mid-year milestone came in July when Commissioner Temple led a delegation of state leaders to London for meetings with international reinsurance executives. During those meetings, the delegation spoke with reinsurers about the successful property insurance reform in Louisiana; our state's increasing focus on building resilient homes, businesses and infrastructure; and about next steps to continue improving Louisiana's property insurance market. These discussions were pivotal in attracting new capital to Louisiana's insurance market and reinforcing our state's commitment to proactively addressing risks.

For the 2024 LDI Annual Conference, the LDI assembled a dynamic group of elected officials, industry experts and other thought leaders from across the country for insightful conversations built around the Recovery, Resiliency and Renaissance of Louisiana's insurance market and beyond. Based on attendee feedback, the event was a resounding success, and we look forward to building upon it next year at the 2025 conference.

After taking office, Commissioner Temple directed LDI staff to improve emergency planning coordination with state agencies and the insurance industry. As part of those improvements, the LDI held an Industry Preparedness Meeting at the Department with the top 20 insurers, refocused messaging efforts to agents and consumers around preparing for both pre- and post-storm needs in advance of a hurricane, and coordinated directly with GOHSEP. Hurricane Francine made landfall on September 11, providing an opportunity to put our focus on emergency planning to the test.



## QUICK HITS FROM 2024

<p>Launched <b>LDIConnect</b> Mobile App</p>	<p>Established Business Risk Mgmt &amp; Insurance Program at  <b>SOUTHERN UNIVERSITY</b> AND AGRICULTURAL &amp; MECHANICAL COLLEGE</p>	<p>Introduced LDI's <b>BE INSURANCE READY</b> Public Awareness Campaign</p>	<p><b>8</b> Insurers Added Homeowners Line in LA</p>
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# 4<sup>th</sup> Quarter (Oct/Nov/Dec)

One of Commissioner Temple's priorities in 2024 was increasing the LDI's anti-fraud efforts. Through legislation that broadened the agency's authority to fight fraud and allocated additional investigative resources, the Office of Insurance Fraud was able to enhance its services by increasing full-time staffing, adding an online surveillance tool, creating a large-scale collusive fraud detection service, and adding artificial intelligence technology. These additional resources are focused on expanding our investigations to include all types of entities that might engage in insurance fraud - not just licensees. In October, the LDI identified roofing contractors who were illegally operating as adjusters by not being licensed. Commissioner Temple issued several cease-and-desist orders for the non-compliant behavior and worked with non-compliant parties to come into compliance.

The Louisiana Fortify Homes Program (LFHP) was created by Act 554 of the 2022 Regular Session. The LFHP provides financial grants of up to \$10,000 for homeowners who upgrade the roofs of their homes to the FORTIFIED Roof Standard "to resist loss due to hurricane, tornado or other catastrophic windstorm events." The grant program launched in October 2023 and at the end of 2024, there were over 5,000 FORTIFIED homes in Louisiana, including over 1,700 funded by the grant program. Growth in adoption outside the program has been tremendous. On Jan. 1, 2024, only 878 FORTIFIED homes existed outside of the grant program. At the end of 2024, that number nearly quadrupled to 3,364 properties built or retrofitted to FORTIFIED Standards.



Last year was a transformational one for the LDI and Louisiana. We took significant positive steps on property insurance reform, modernized the agency for consumer and industry, and refocused our efforts on areas that will make a difference in the lives of our state's citizens. Commissioner Temple and the LDI have big plans for 2025, including a strong push for auto insurance and legal reform, data-based regulatory reform, improved consumer education efforts, and much more. We look forward to working with the legislature, consumers and other stakeholders as we continue our efforts to bring an Insurance Renaissance to Louisiana.