

Representative Jack McFarland
Chair



Representative Jerome Zeringue
Vice-Chair

Fiscal Year 2027 Executive Budget Review

DEPARTMENT OF INSURANCE

House Committee on Appropriations
House Fiscal Division

March 4, 2026

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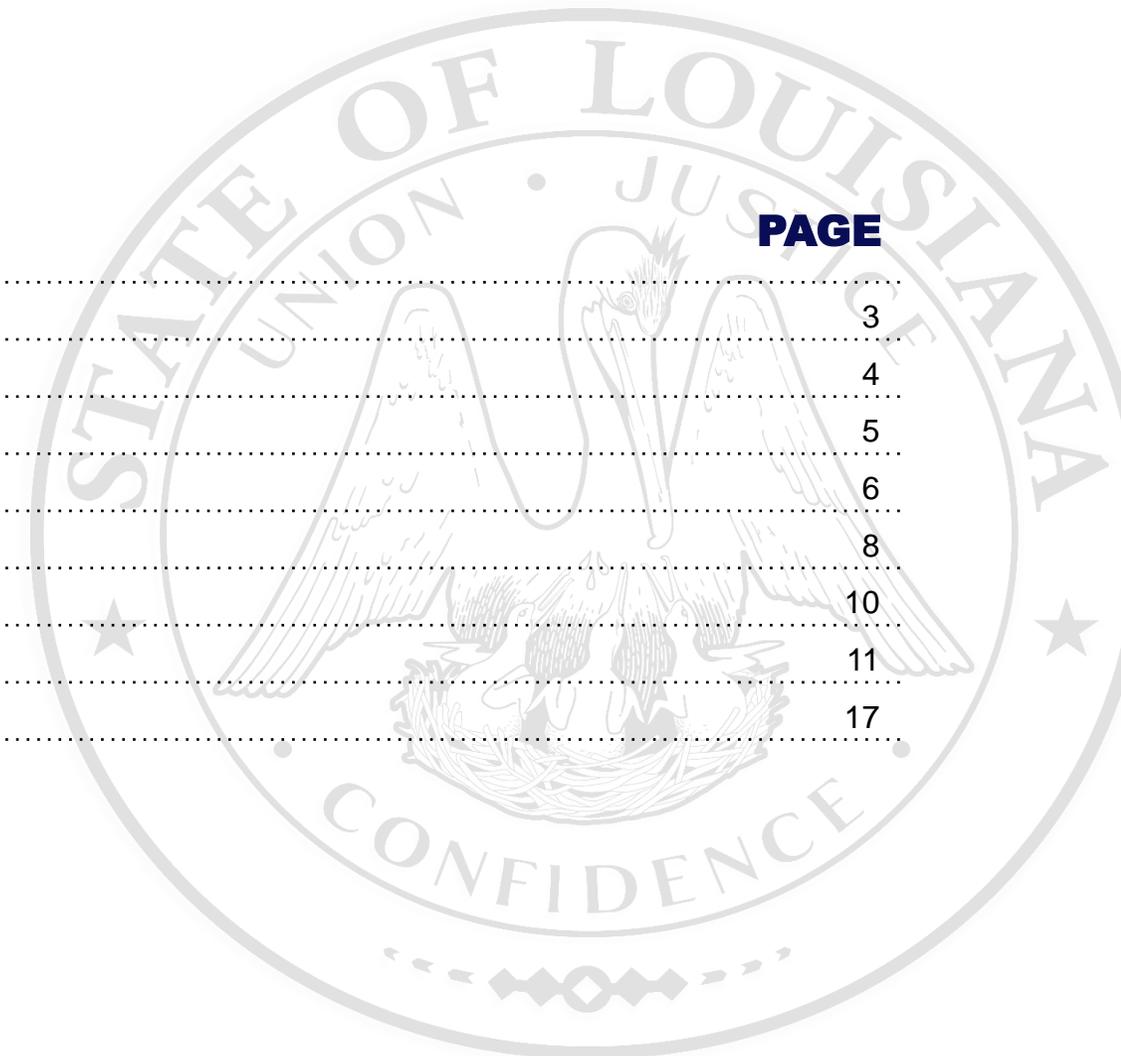
All data and figures were obtained from the governor's Fiscal Year 2026-2027 Executive Budget and Supporting Documents provided by the Office of Planning and Budget within the Division of Administration along with House Bill 1 of the 2026 Regular Session, unless otherwise noted.

<https://www.doa.la.gov/doa/opb/budget-documents/>

TOPIC

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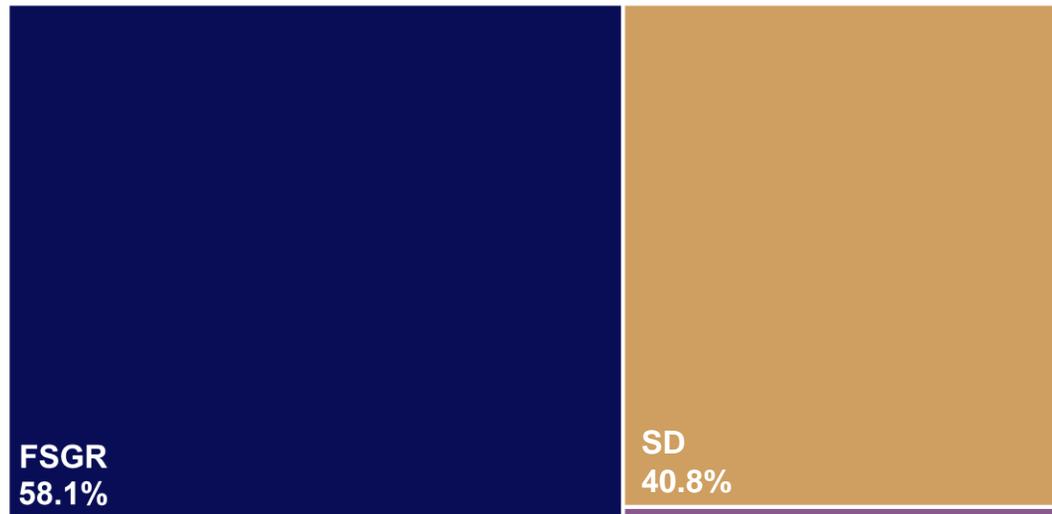
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FY 27 BUDGET RECOMMENDATION

Total Funding = \$73,539,941

Means of Finance		
State General Fund	\$	0
Interagency Transfers		0
Fees & Self-generated		42,739,941
Statutory Dedications		30,000,000
Federal Funds		800,000
Total	\$	73,539,941



Program Funding & Authorized Positions			
		<i>Amount</i>	<i>Positions</i>
Administrative/Fiscal	\$	17,808,011	72
Market Compliance		55,731,930	159
Total	\$	73,539,941	231



SOURCES OF FUNDING

<p style="text-align: center;">Self-generated Revenue</p> <p style="text-align: center;">\$42.7 M</p>	<p style="text-align: center;">Statutory Dedications</p> <p style="text-align: center;">\$30 M</p>	<p style="text-align: center;">Federal Funds</p> <p style="text-align: center;">\$800,000</p>
<p>Revenues are derived from the following sources:</p> <ul style="list-style-type: none"> • \$37.9 M from various fees on licenses, applications, and assessments on insurance policies written in the state • \$3.7 M from the Insurance Fraud Investigation Dedicated Fund Account from an assessment on various insurance premiums written in Louisiana for fraud awareness, investigation and enforcement • \$1.2 M from the Administrative Dedicated Fund Account from penalties and an assessment on health insurance premiums for the enforcement of Health Insurance Portability and Accountability Act (HIPAA) provisions in insurance regulation 	<p>Funding is derived from the following statutorily dedicated fund:</p> <ul style="list-style-type: none"> • \$30 M from the Louisiana Fortify Homes Program Fund which provides grants of up to \$10,000 for homeowners to upgrade their roofs to industry standards to better withstand hurricane-force winds 	<p>Federal funding is derived from the following source:</p> <p>U.S. Department of Health and Human Services Administration for the State Health Insurance Assistance Program for seniors</p>

FUNDING COMPARISON

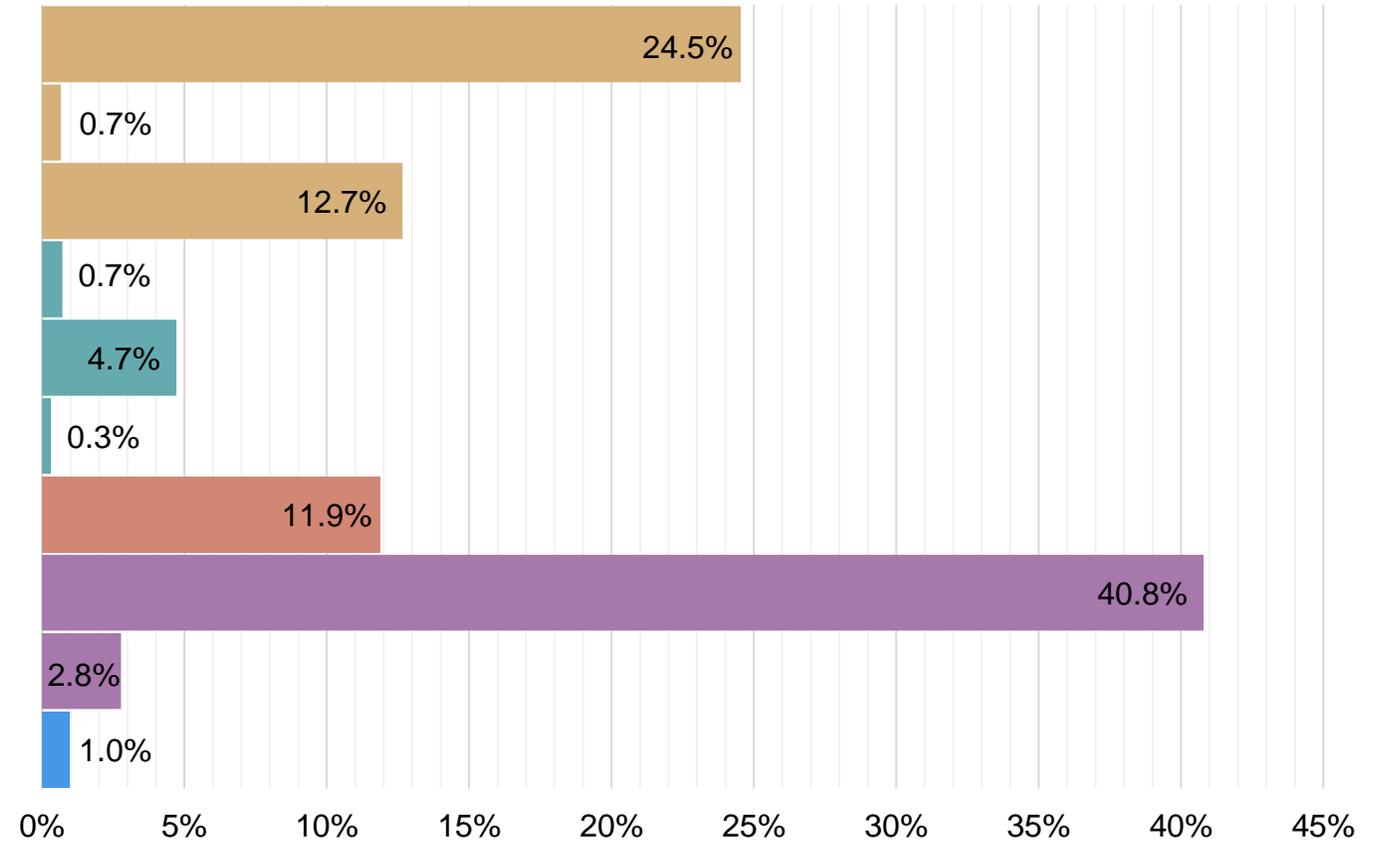
Means of Finance	FY 25 Actual Expenditures	FY 26		FY 27 HB1 Budget	Change Existing Operating Budget to HB1		Change Actual Expenditures to HB1	
		Existing Operating Budget 12/1/25						
SGF	\$ 0	\$ 180,000	\$ 0	\$ 0	\$ (180,000)	(100.0%)	\$ 0	0.0%
IAT	0	0	0	0	0	0.0%	0	0.0%
FSGR	33,732,159	41,069,124	42,739,941	42,739,941	1,670,817	4.1%	9,007,782	26.7%
Stat Ded	23,236,208	25,000,000	30,000,000	30,000,000	5,000,000	20.0%	6,763,792	29.1%
Federal	936,150	800,000	800,000	800,000	0	0.0%	(136,150)	(14.5%)
Total	\$ 57,904,517	\$ 67,049,124	\$ 73,539,941	\$ 73,539,941	\$ 6,490,817	9.7%	\$ 15,635,424	27.0%

Significant funding changes compared to the FY 26 Existing Operating Budget	
Fees & Self-generated	Statutory Dedications
<p>\$1.7 M increase due to items such as:</p> <ul style="list-style-type: none"> \$897,635 increase from various fees charged on insurance policies in the state \$773,182 increase in the Insurance Fraud Investigation Dedicated Fund Account in the Market Compliance Program 	<p>\$5 M increase due to:</p> <p>An increase in the Louisiana Fortify Homes Program Fund, per Act 79 of the 2025 R.S, which dedicates the first \$5 M of surplus lines premium tax collections to the fund</p>

FY 27 EXPENDITURE RECOMMENDATION

Total Budget = \$73,539,941

Expenditure Category		
Salaries	\$	18,050,989
Other Compensation		484,702
Related Benefits		9,312,857
Travel		525,161
Operating Services		3,466,150
Supplies		224,424
Professional Services		8,725,412
Other Charges		30,000,000
Interagency Transfers		2,040,634
Acquisitions/Repairs		709,612
Total	\$	73,539,941



OTHER CHARGES / INTERAGENCY TRANSFERS

Other Charges

Amount	Description
\$ 30,000,000	Louisiana Fortify Homes Program
\$ 30,000,000	Total Other Charges

Interagency Transfers

Amount	Description
\$ 777,998	Maintenance of State-owned Buildings
505,836	DOA - risk management, procurement, telecommunication
171,445	Office of Technology Services
169,379	Legal and auditing fees
147,354	Capitol Park Security
142,177	Advertising, printing, and postage
126,445	Civil Service, State Treasury, payroll, unemployment, and identification fees
\$ 2,040,634	Total Interagency Transfers

EXPENDITURE COMPARISON

Expenditure Category	FY 25 Actual Expenditures	FY 26 Existing Operating Budget 12/1/25	FY 27 HB1 Budget	Change Existing Operating Budget to HB1		Change Actual Expenditures to HB1	
Salaries	\$ 16,541,151	\$ 17,532,569	\$ 18,050,989	\$ 518,420	3.0%	\$ 1,509,838	9.1%
Other Compensation	417,449	484,702	484,702	0	0.0%	67,253	16.1%
Related Benefits	8,766,281	9,138,596	9,312,857	174,261	1.9%	546,576	6.2%
Travel	180,763	525,161	525,161	0	0.0%	344,398	190.5%
Operating Services	2,762,172	3,409,073	3,466,150	57,077	1.7%	703,978	25.5%
Supplies	112,736	224,424	224,424	0	0.0%	111,688	99.1%
Professional Services	3,287,987	7,995,230	8,725,412	730,182	9.1%	5,437,425	165.4%
Other Charges	23,236,208	25,180,000	30,000,000	4,820,000	19.1%	6,763,792	29.1%
Interagency Transfers	1,931,639	1,831,757	2,040,634	208,877	11.4%	108,995	5.6%
Acquisitions/Repairs	668,130	727,612	709,612	(18,000)	(2.5%)	41,482	6.2%
Total	\$ 57,904,516	\$ 67,049,124	\$ 73,539,941	\$ 6,490,817	9.7%	\$ 15,635,425	27.0%

SIGNIFICANT EXPENDITURE CHANGES

Compared to the FY 26 Existing Operating Budget

Personnel Services	Professional Services	Other Charges	Acquisitions/Repairs
<p>\$692,681 net increase due to items such as:</p> <ul style="list-style-type: none"> \$777,681 net increase for various standard statewide adjustments to align salaries and related benefits to projected FY 27 need (\$85,136) decrease associated with one personnel reduction in the Administrative / Fiscal Program 	<p>\$730,182 increase due to:</p> <p>Increased need to cover expenses associated with travel, AI support, supplies, cyber security, anti-fraud, and public awareness</p>	<p>\$5 M net increase due to items such as:</p> <ul style="list-style-type: none"> \$5 M increase for the Louisiana Fortify Homes Program due to legislation modifying the fund's revenue stream (\$180,000) decrease to remove one-time funding for the coverage of perinatal behavioral health treatment \$117,760 increase in transfers to the Legislative Auditor, capitol park security, Office of Risk Management, etc. \$76,117 increase for the digitization of records by the Secretary of State \$15,000 increase in transfers sent to the Office of Technology Services (OTS) to cover an increased need for printing to address new and existing initiatives 	<p>(\$18,000) net decrease due to items such as:</p> <ul style="list-style-type: none"> (\$727,612) decrease to remove funding for acquisitions and repairs funded in FY 26 that are no longer needed in FY 27 \$709,612 increase to replace one vehicle and outdated IT equipment (including laptops, servers, monitors, ethernet switches, etc.)

DEPARTMENT CONTACTS



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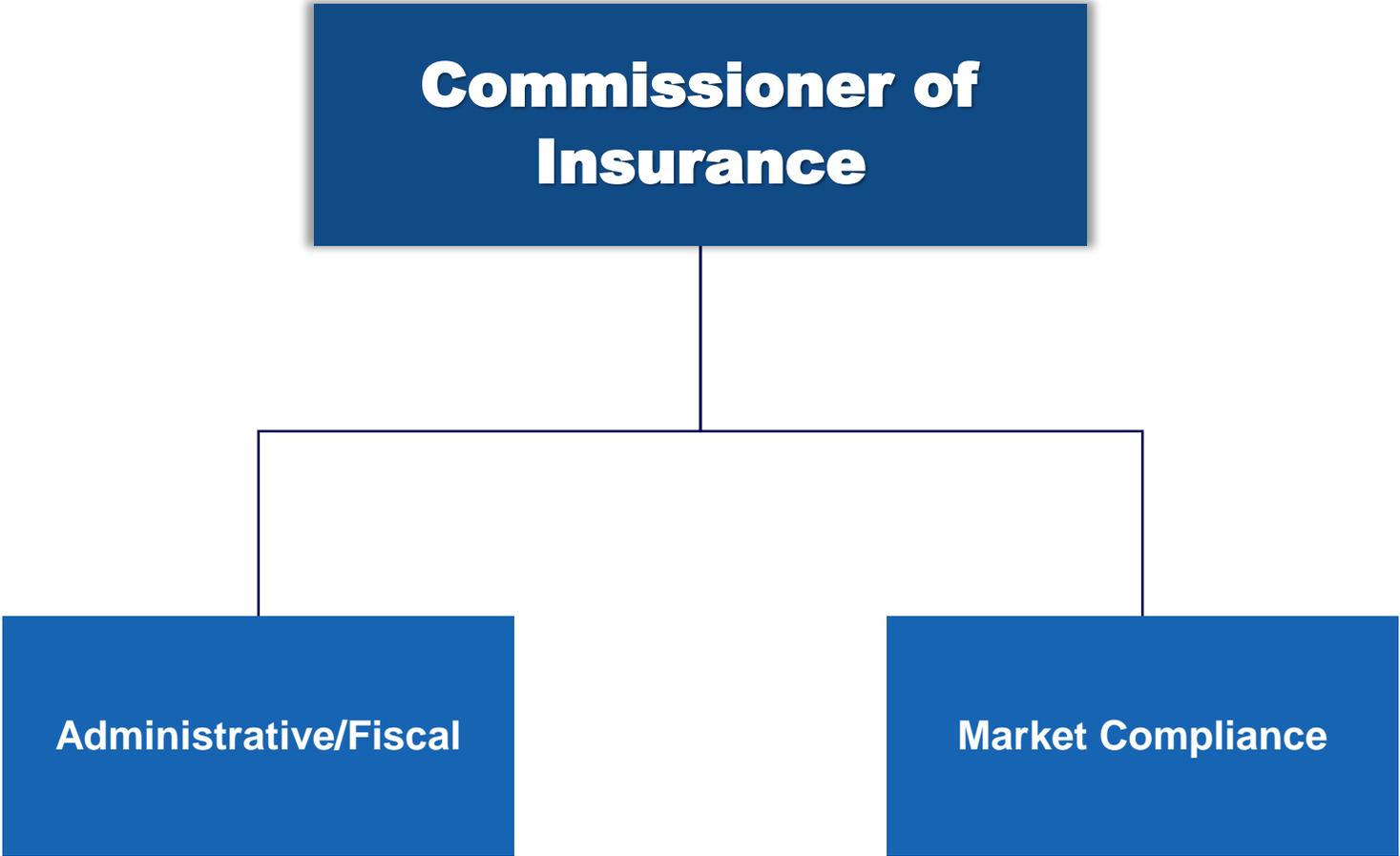
Assistant Commissioner

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The seal of the State of Louisiana is visible in the background, featuring an eagle with a shield on its chest, perched on a nest with two birds. The text "STATE OF LOUISIANA" is at the top, "UNION • JUSTICE" is on the left, and "CONFIDENCE" is at the bottom. A star is on the right.

General Department Information

DEPARTMENT ORGANIZATION



Administrative/Fiscal Program

Office of the Commissioner

- Oversees internal audits, public affairs, Consumer Advocacy and Diversity (including Senior Health Insurance Information Program) and the Office of Policy, Innovation and Research (created by Act 159 of the 2022 Regular Session)

Office of Management and Finance:

- Oversees fiscal affairs, revenue services, information technology, human resources, administrative services, budget, purchasing, and strategic and operational planning



Market Compliance Program

Office of Licensing

- Oversees licensing and records of all producers, including life, health, property, and casualty insurance providers

Office of Health, Life, and Annuity

- Regulates state and federal requirements applicable to commercial and government-operated health benefit plans, and reviews contract policy forms, and health premiums

Office of Property and Casualty

- Reviews, approves and/or disapproves rates, and reviews forms for property and casualty insurance providers

Division of Legal Services

Acts as legal counsel and enforcement arm of the department

Office of Financial Solvency

- Analyzes and examines the financial conditions of all insurance providers approved to conduct business in the state, including life, health, property and casualty, and HMOs

Office of Consumer Services

- Performs market conduct examinations to assure policyholders, claimants, and beneficiaries are treated fairly, and handles all complaints for the department

Division of Insurance Fraud

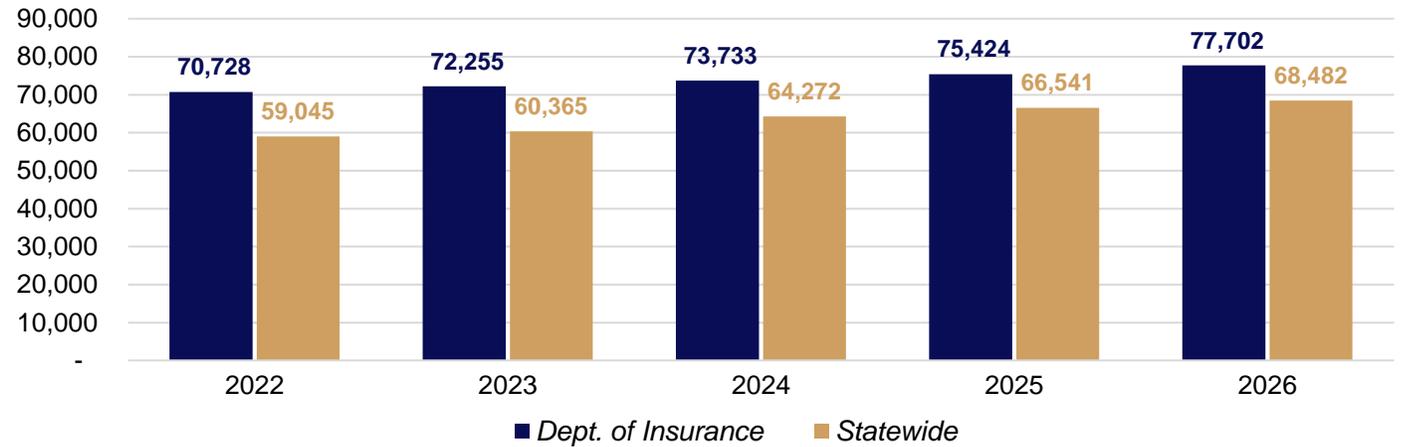
- Investigates alleged or suspected fraud committed by or upon insurance producers, brokers, and companies

PERSONNEL INFORMATION

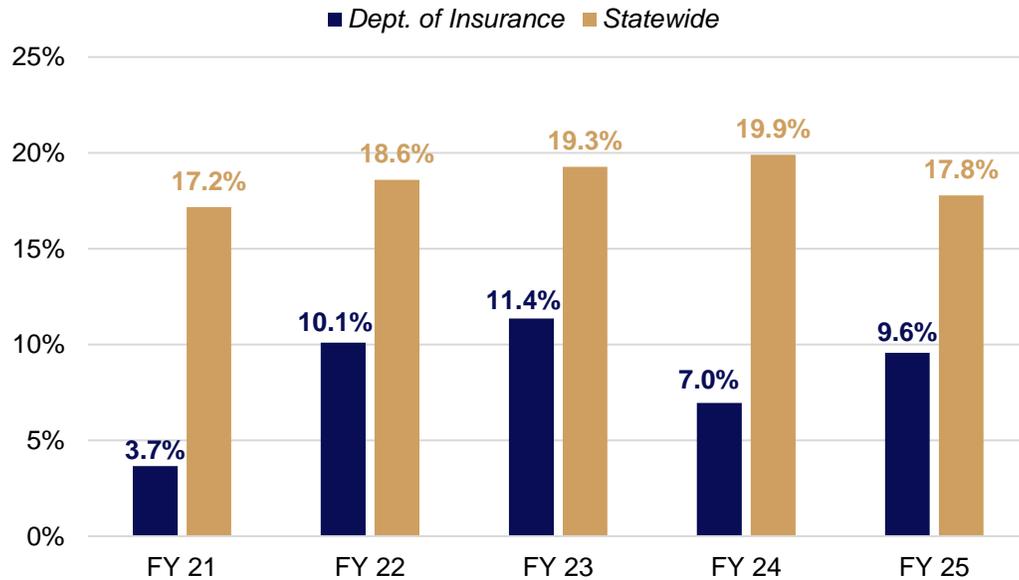
FY 2027 Recommended Positions

231	Total Authorized T.O. Positions (204 Classified, 27 Unclassified)
0	Authorized Other Charges Positions
3	Non-T.O. FTE Positions
14	Vacant Positions (December 3, 2025)

Historical Average Salary



Turnover History



Top Positions Vacated FY 2025

Position	Number of Employees	Separations	Turnover Rate
Compliance Examiner I	10	3	30.0%
Administrative Assistant IV	8	2	25.0%
Insurance Specialist III	30	2	6.7%
Compliance Investigator II	1	1	100.0%
Insurance Specialist I	11	1	9.1%

Source: Department of Civil Service

FORTIFY HOMES PROGRAM

- Created by Act 554 of the 2022 Regular Session
- “The commissioner, as program administrator, may make financial grants to retrofit roofs of insurable property, as defined in R.S. 22:1483(C)(9), with a homestead exemption to resist loss due to hurricane, tornado, or other catastrophic windstorm events and to meet or exceed the "fortified roof" standard of the Insurance Institute for Business and Home Safety.”
- \$30 M is included in the department’s budget for the Louisiana Fortify Homes Program in FY 27
- According to a Legislative Auditor’s report, the median grant recipient saved \$1,250 (or 22%) on their annual homeowner’s insurance costs

Parish	Total Grants <i>(as of 2/3/26)</i>
Orleans Parish	1,490
Jefferson Parish	1,267
Saint Tammany Parish	924
Saint Bernard Parish	107
East Baton Rouge Parish	63
Saint Charles Parish	44
Plaquemines Parish	39
Terrebonne Parish	36
Saint John the Baptist Parish	26
Lafourche Parish	24
Saint Mary Parish	23
Lafayette Parish	22
Tangipahoa Parish	21
Livingston Parish	15
Assumption Parish	11
Calcasieu Parish	9
Iberia Parish	9
Saint James Parish	7
Ascension Parish	5
Acadia Parish	4
Rapides Parish	4
Saint Landry Parish	4
Washington Parish	4
Vermilion Parish	3
Vernon Parish	2
Beauregard Parish	1
Bossier Parish	1
Caddo Parish	1
Concordia Parish	1
Iberville Parish	1
Morehouse Parish	1
Sabine Parish	1
Total	4,172



Grants were previously given out on a first come first serve basis, they are now given on a lottery basis and are only eligible to primary households in a designated LA Coastal Zone

The seal of the State of Louisiana is visible in the background, featuring an eagle with wings spread, perched on a nest with two birds. The text "STATE OF LOUISIANA" is at the top, "UNION • JUSTICE" is on the left, and "CONFIDENCE" is at the bottom. A star is on the right.

General Budgetary Information

FY 26 EXISTING OPERATING BUDGET

The FY 2025-26 Existing Operating Budget (EOB) was frozen on December 1, 2025. This point-in-time reference is used in both the Executive Budget and the General Appropriations Bill.

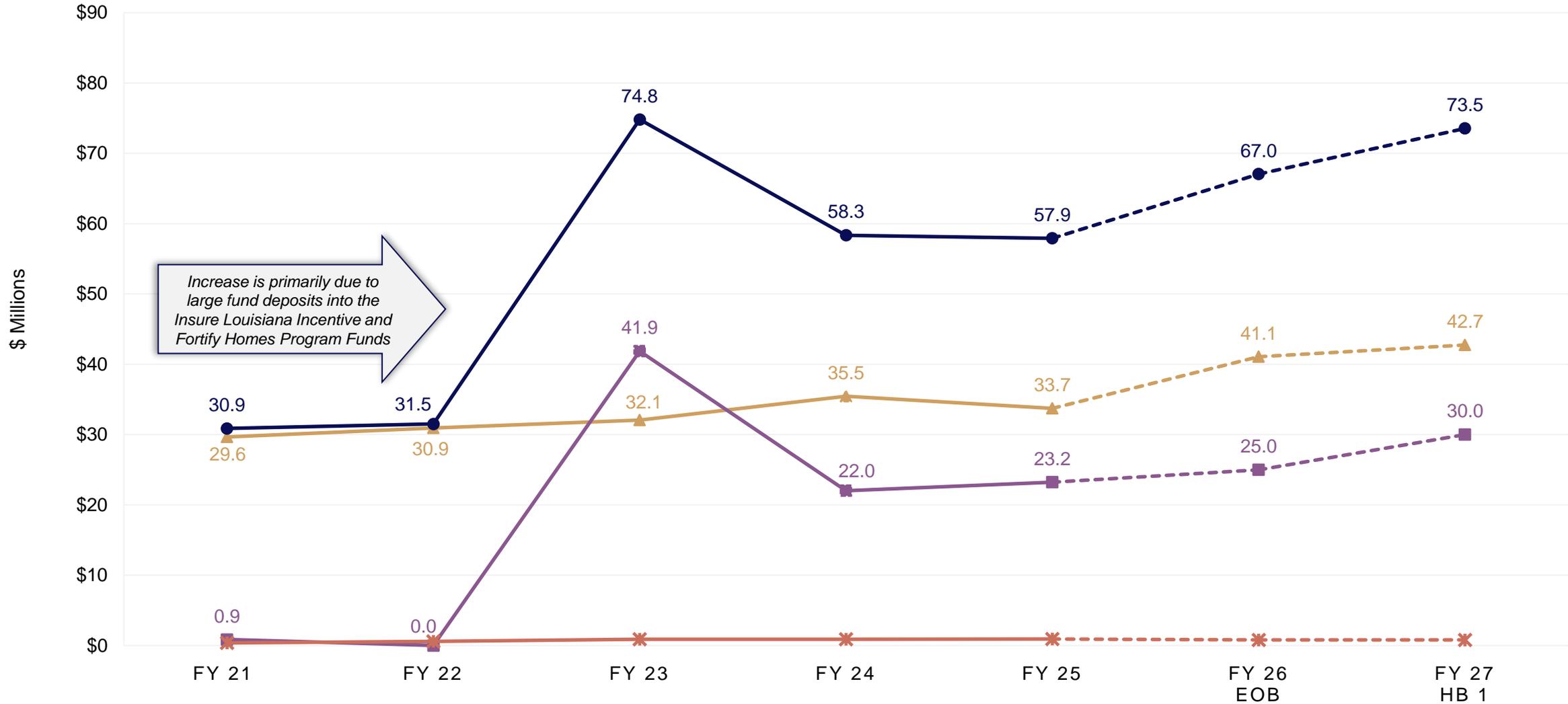
Means of Finance	Appropriation	Mid-Year Adjustments	Existing Operating Budget
General Fund	\$ 180,000	\$ 0	\$ 180,000
Interagency Transfers	0	0	0
Self-generated Revenue	41,069,124	0	41,069,124
Statutory Dedications	25,000,000	0	25,000,000
Federal	800,000	0	800,000
Total	\$ 67,049,124	\$ 0	\$ 67,049,124

<i>Mid-year Adjustments Summary</i>				
July	August	September	October	November
No change	No change	No change	No change	No change

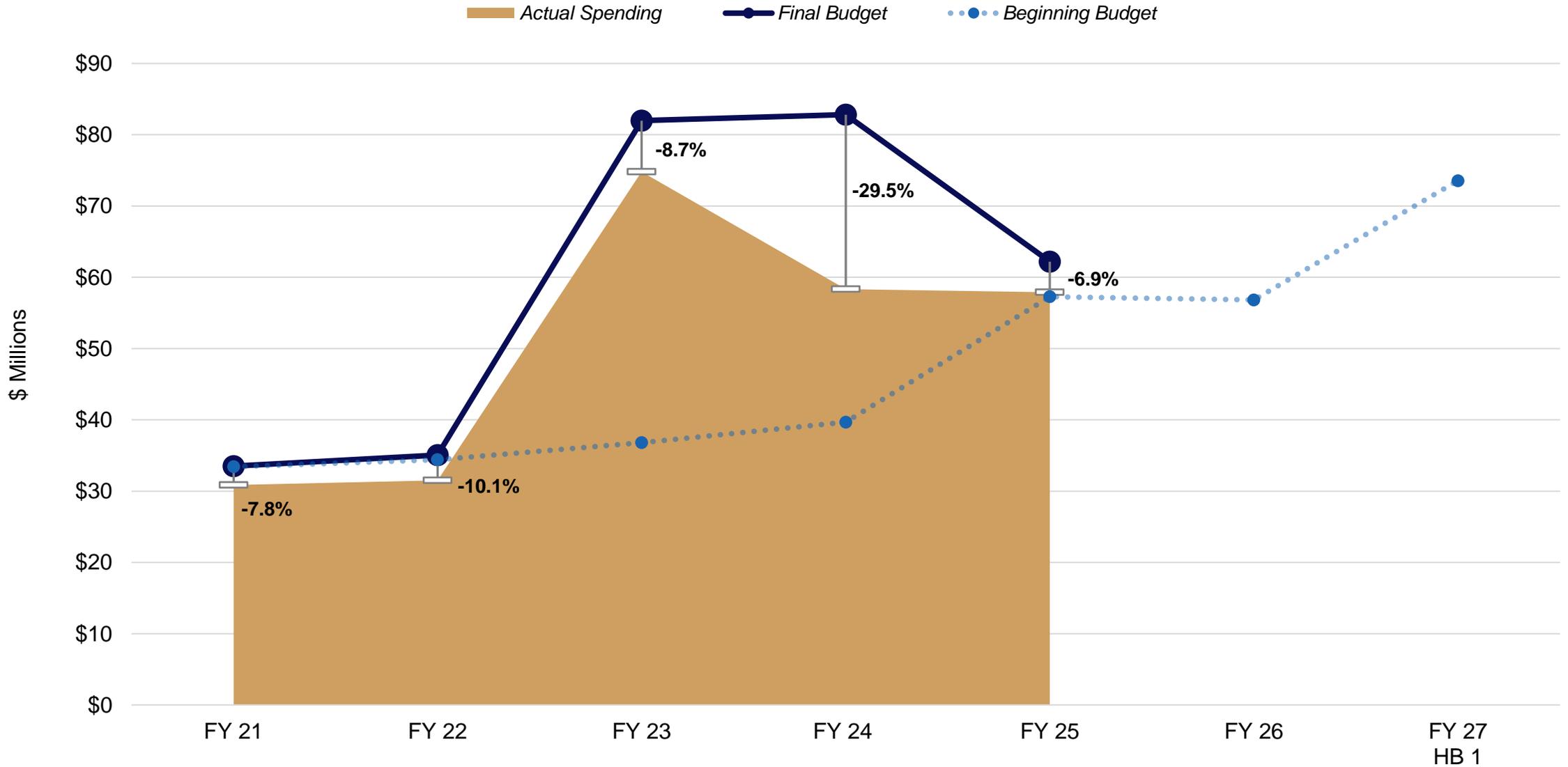
HISTORICAL SPENDING

Annual Average Spending Change from FY 21 to 25:

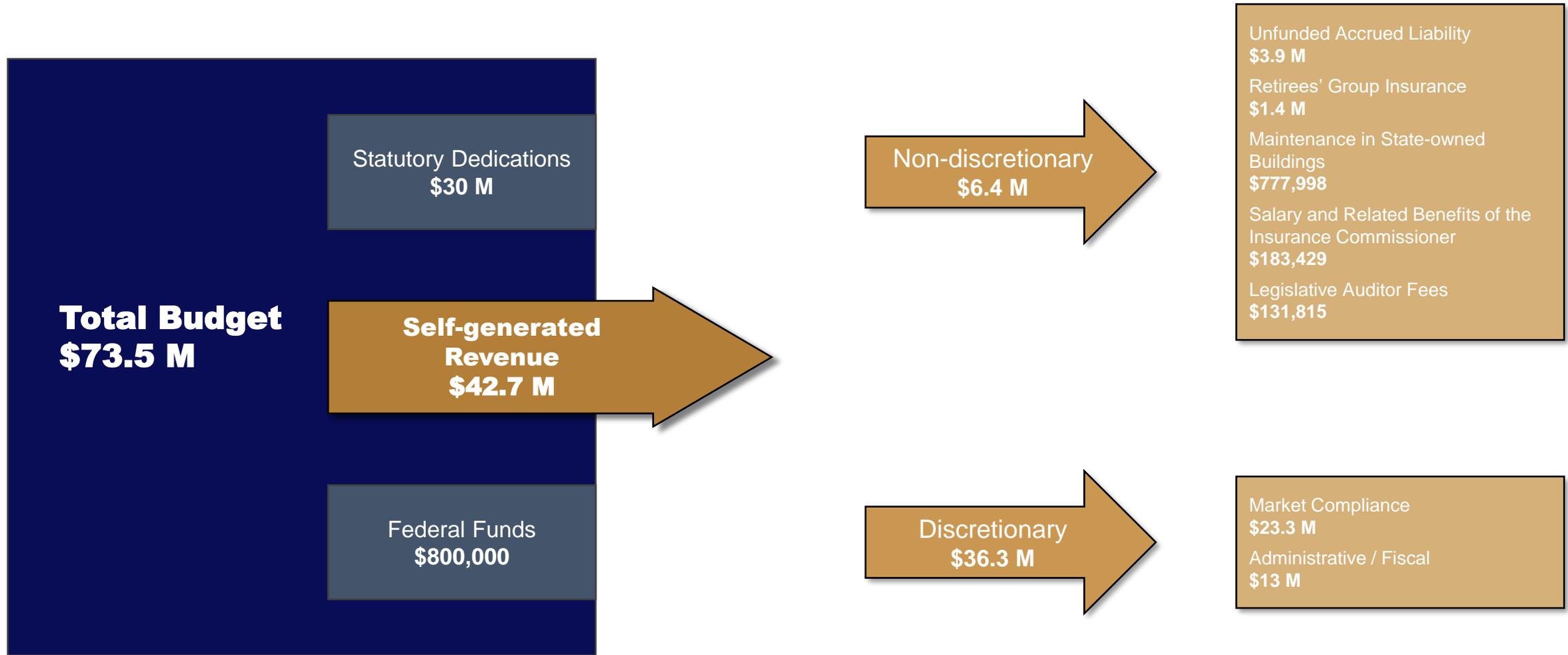
Fees & Self-generated	Statutory Dedications	Federal Funds	Total Budget
3.3%	128.1%	26.4%	17%



HISTORICAL BUDGET



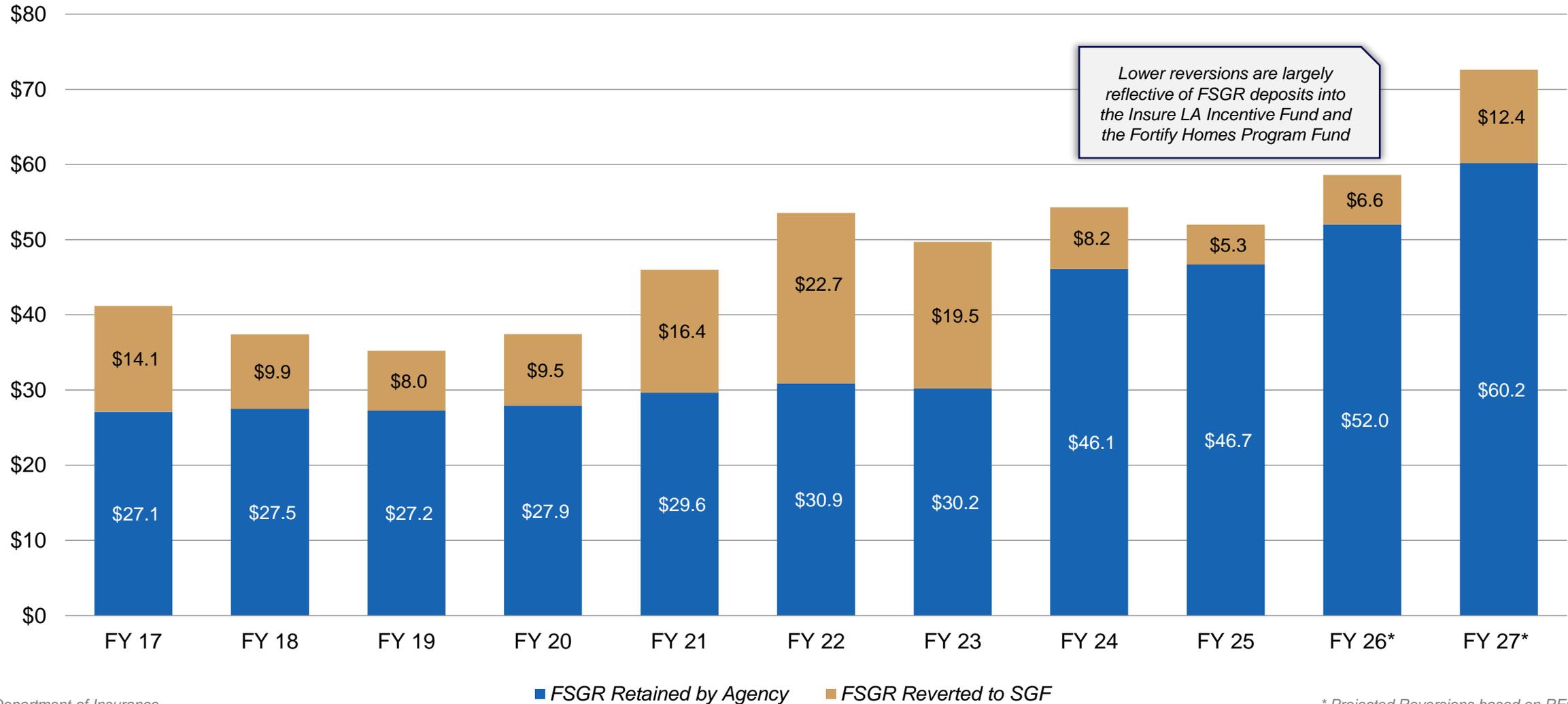
DISCRETIONARY EXPENSES



* Figures may not add precisely due to rounding

SELF-GENERATED REVENUE REVERSIONS

FSGR Collected by the Department (in Millions)



Source: Department of Insurance

* Projected Reversions based on REC forecasts