

Louisiana Property and Casualty Insurance Commission Full Commission Meeting

**Tuesday, August 20, 2013
Louisiana Department of Insurance
Plaza Hearing Room
1:30 p.m.**

Minutes

Commission Members Present: Commissioner Donelon, Ted Haik, Jeff Albright, Senator Dan Morrish, Representative Kirk Talbot, Ray Aleman, Jr., Lee Ann Alexander, Ann Metrailler, Phyllis Perron (representing J.E. Brignac, Jr.), Paul Buffone, Anne Cassity, Sheriff Greg Champagne, Michael Guy, Chris Haik, Wes Hataway, Ron Henderson, Scott Landry, LTC. John LeBlanc, A.J. Hebert (representing Robert Moorman) and Earl Taylor

Commission Members Absent: Senator Eric LaFleur, Representative Greg Cromer, Steve Campbell, and Lou Fey

Commission Staff Present: Terrell Moss and David Evans

DOI Staff Present: Patrick Bell, Ileana Ledet, Ed O'Brien, Rich Piazza, Charles Hansberry, Judy Wright, Ben Darnell, Herv Dorsey, Geralyn May and Joycelyn Spriggs

The Louisiana Property and Casualty Insurance Commission (LPCIC) meeting was called to order at 1:40 p.m. by chairman Ted Haik.

Mr. Evans called the roll and reported a quorum present.

Chairman Haik welcomed the commission members and recognized new members Ray Aleman, Jr. as the Commissioner's appointee and Chris Haik, as the consumer representative appointed by the president of the Senate. He also noted that a summary of property and casualty related legislation from the 2013 Regular Legislative Session was included in each member's packet for review. Commissioner Donelon was delayed, so the Chairman proceeded with the next speaker on the agenda.

Mr. Dave Thomas, CEO of Louisiana Citizens Property Insurance Corporation (Citizens), indicated that he had immersed himself in his new job over the last five weeks following his broad experience in the private sector P&C insurance business over the last 40 plus years. His concentration had been on Citizens' two number one priorities: preparing for the next "big one" and de-population of Citizens' policyholders to the private market. He noted that some new companies were showing interest in de-population.

Mr. Wes Hataway, Director of the Office of Workers' Compensation, provided an update on his agency's efforts accompanied by a PowerPoint presentation.*

Mr. Hataway emphasized the success of the medical treatment guidelines – authorized by 2009 legislation and implemented in July 2011 – in reducing the time it takes to resolve disputes between the injured employee's treating physician and the employer as to what kind of treatment the worker should receive.

Mr. Hataway explained other successful workers' compensation initiatives spearheaded by his agency, including: the use over the last two years of dedicated funds to obtain federal grants for vocational rehabilitation; the establishment of the Workplace Safety Task Force; and the two-year old Youth Safety Program. Mr. Hataway spoke briefly about Act 337 of the 2013 Regular Session.

Commission members had questions and comments regarding funding and youth safety.

Mr. Paul Buffone, Sr. Vice President/Chief Claims & Information Officer of the Louisiana Workers' Compensation Corporation, provided an employer/insurer perspective on workers' comp supplemented by a PowerPoint presentation.*

While Mr. Buffone praised the implementation of the medical treatment guidelines and utilization review rules and the continuing 20-year decrease in the frequency of workers' comp claims, he focused on the reasons why the cost of claims remains high in the state.

The commission members had questions and comments throughout Mr. Buffone's detailed report.

Insurance Commissioner Jim Donelon briefed the commission on the impact of the reforms included in the Biggert-Waters re-authorization of the National Flood Insurance Program (NFIP) and recent developments. The Commissioner noted Louisiana's reliance on the NFIP with the third highest policy count among the states and greatest beneficiary of claims payments.

Commissioner Donelon recounted his attendance at a recent Government Accountability Office roundtable in Washington, D.C.

The Commissioner noted that among current actions being taken are: FEMA has agreed to look at certifying local levees; determining whether total premium payments actually exceed total claims payments since the inception of the NFIP; and the united efforts of our congressional delegation to obtain relief from the harsh NFIP reforms.

Mr. Curt Eysink, Executive Director of the Louisiana Workforce Commission, presented information on the imminent \$60 billion growth in industrial construction and its anticipated impact on business and insurance supported by a PowerPoint presentation.*

Mr. Eysink indicated that the majority of this construction would occur between the latter part of this year and 2016 along and south of the I-10 corridor and result in new jobs and workers.

Mr. Eysink stated that the purpose of his presentation was to get the insurance sector thinking about the impact that this swift, unprecedented growth will have on the insurance industry so that the industry will not be caught unprepared.

The report prompted a number of questions and discussion from the commission members.

Mr. Scott Landry, Vice President of Lane & Associates, Inc. and a surplus lines broker, gave an overview of the surplus lines insurance market illustrated by a PowerPoint presentation.*

Mr. Landry provided an expansive review of the characteristics of insurance, the need for regulation, the role, types of risks, and characteristics of the surplus lines market, and the nature of the national and Louisiana P&C markets served by surplus lines.

With no further discussion, the chair asked if there were any comments from the public in attendance. When there were none the chair called for a motion to adjourn which was offered by Sheriff Champagne and seconded by Senator Morrish. The LPCIC meeting adjourned at 3:48 pm.

* PowerPoint presentation posted on LDI website (www.ldi.la.gov) at "Property & Casualty Commission".

LPCIC

August 20, 2013

Wes Hataway, Director, OWCA



www.laworks.net

■ OWCA ADMINISTRATION

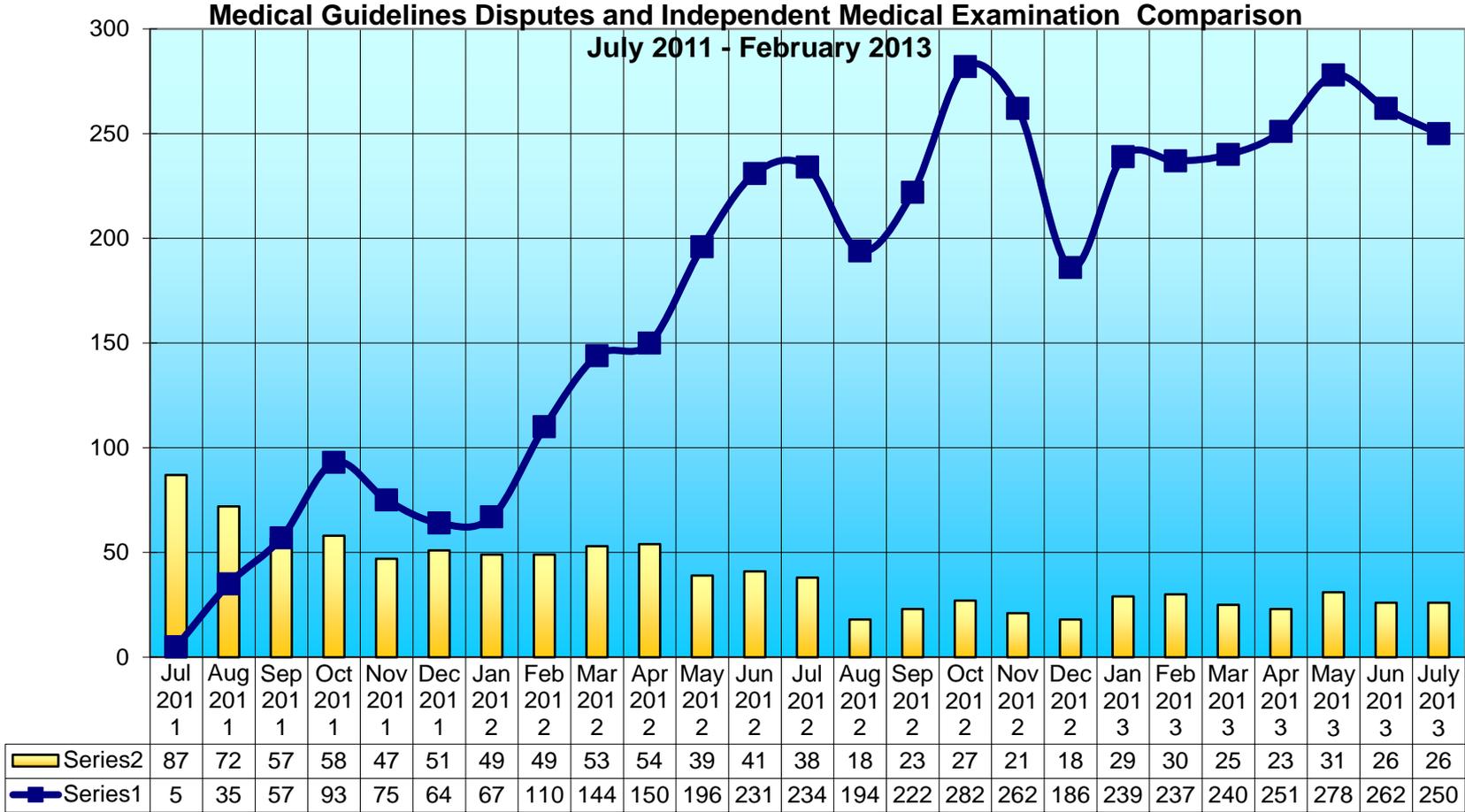


- **MEDICAL SERVICES**

MEDICAL SERVICES

- Medical Treatment Schedule
- Effective July, 2011
- Over 2,000 decisions have been made thus far
- Goal is to provide efficient, quality care to injured workers.

MGDs AND IMEs

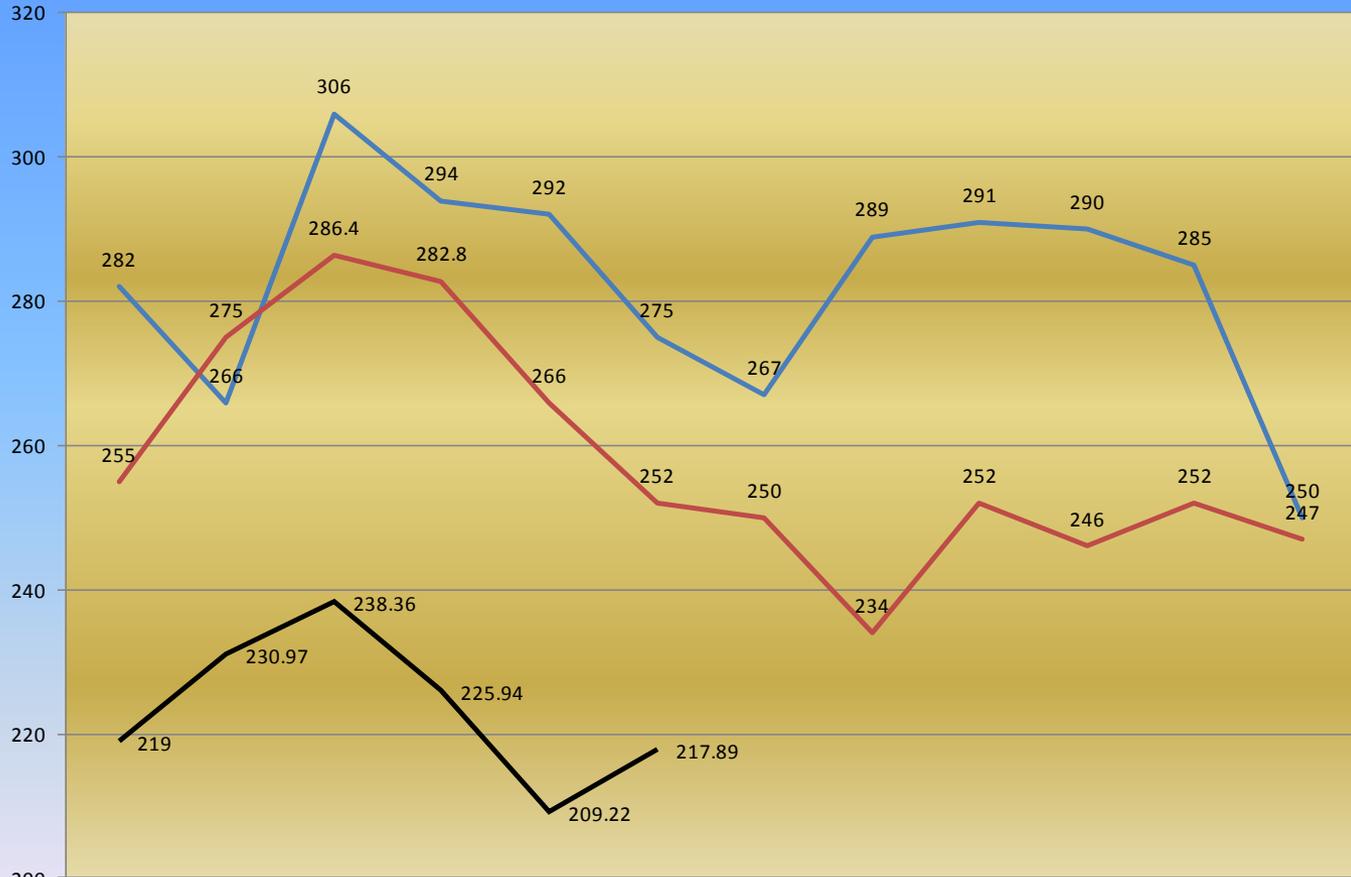


HEARINGS DIVISION

- Our goal is to fairly and equitably resolve disputes in a timely manner.

HEARINGS DIVISION

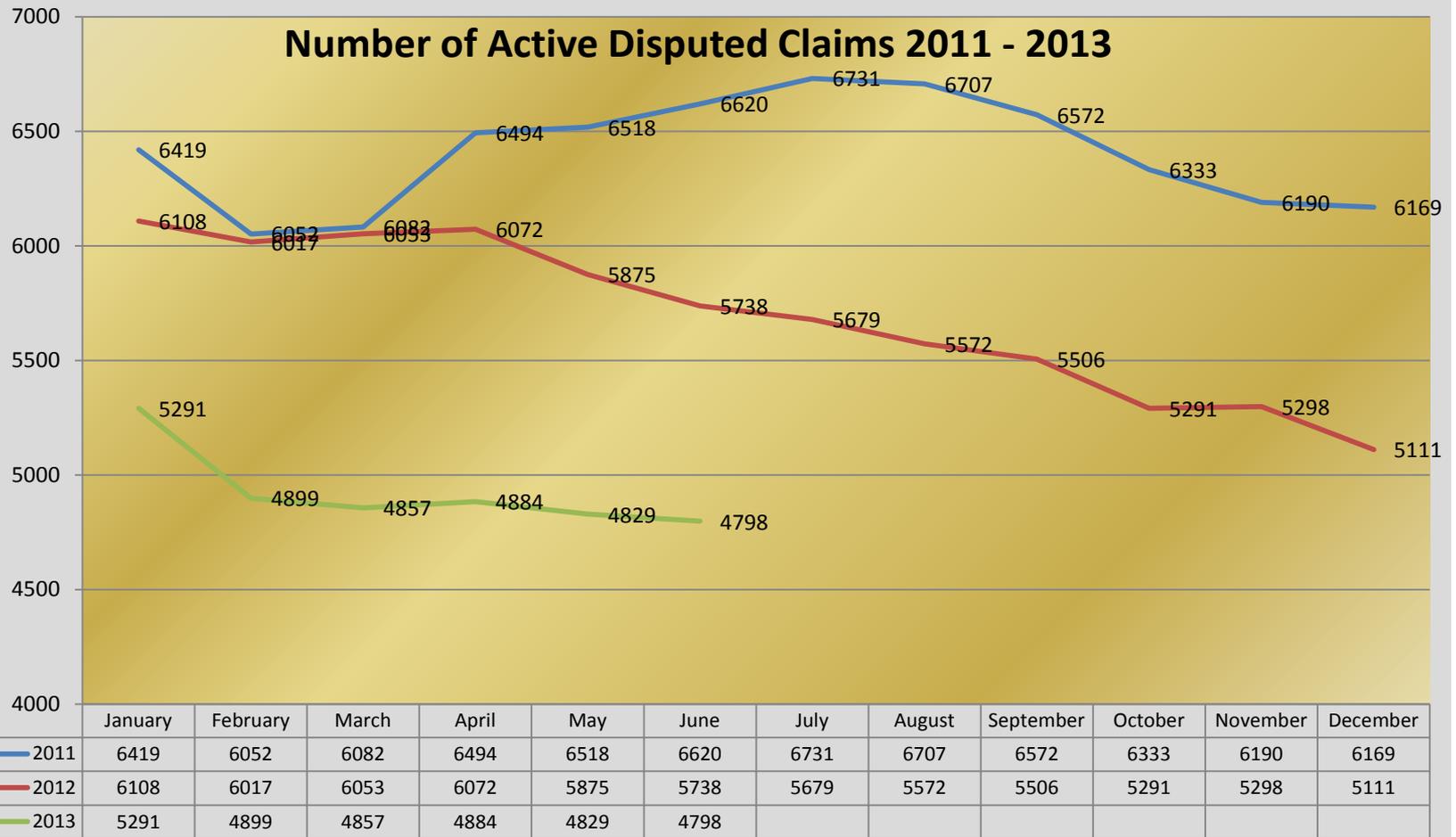
2011, 2012 and 2013 Average Delay for 1008's



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2011 Delay	282	266	306	294	292	275	267	289	291	290	285	250
2012 Delay	255	275	286.4	282.8	266	252	250	234	252	246	252	247
2013 Delay	219	230.97	238.36	225.94	209.22	217.89						



Number of Active Disputed Claims 2011 - 2013



LRS – SECOND INJURY PARTNERSHIP



- On July 1st Act 291 became law. This allows for the 2nd Injury Fund (SIF) to designate up to 1% of the Fund for vocational rehabilitation services to help employ persons with disabilities.



SIF ALLOCATION+FEDERAL MATCH

SIF Allocation+Federal Match

- In 2011-12 the SIF Board approved 1% of the annual budget be allocated to LRS for direct services:
 - This amount = \$ 467,914.
 - Federal match= \$1,728,865.
 - SIF + Match = \$2,196,779.
- In 2012-13 the SIF Board approved .05% of the annual budget to be allocated to LRS for direct services:
 - This amount = \$ 233,957.
 - Federal match= \$ 864,432.50
 - SIF + Match = \$1,098,389.50
- Total allocated=\$3,295,168.50 (7/1/2011-3/1/2013)

RESULTS OF SIF PROGRAM 7-1-11 THROUGH 6-30-13

-
- Information is for cases closed 7/1/2011 – 6/30/2013.
-
- 1,241 persons successfully employed
- Rehabilitative services were provided to 1,611 disabled workers
- Average cost per disabled worker was less than \$3,000
- Employees and/or employers in 60 parishes received services

Types of jobs at closure:

- Motorcycle maintenance Jackson parish
- Building custodian E. Baton Rouge
- Physician Lafayette
- Computer Programmer St. Tammany parish
- Detective Lake Charles
- Sheriff's Office Dispatcher Iberville parish
- Machine operator Caddo parish
- Nurse Bossier
- IRS Auditor Baton Rouge
- College Professor New Orleans
- School Teacher Orleans parish

OSHA AND SAFETY

- Workplace Safety Task Force

The Louisiana Workforce Commission has developed a pilot program called "Workplace Safety Task Force" that has brought business leaders, academia, legislators and workers together to study trends and data in order to better identify dangerous work practices and to recommend ways to reduce injuries and fatalities in the workplace.

It addresses both prevention and proper response to workplace accidents and costs associated with safety or lack thereof in Louisiana workplaces.

OSHA AND SAFETY

- Cultivating Safety
- Transportation and Warehousing Study

OSHA AND SAFETY

■ Student Safety

The “Youth Safety Program” was developed to provide youths and young workers with information to protect themselves from possible safety and health hazards that may be present or occur in the particular work industry they will be entering. The “Youth Safety Program” has been in place for two years and has reached 1,600 youths and young workers across the state of Louisiana. The program has been presented in the following parishes: Bienville, Iberville, Ascension, Jefferson Davis, Jefferson, Acadia and St. Martin. This program serves as a learning tool for youths 16 to 24 entering the workforce. Information discussed consists of:

- Rights on the Job
- How to Identify Hazards
- What to do When a Hazard has been Identified
- What to do in the Case of Emergency

2013 LEGISLATION

- Act 337 (The Safe Harbor Statute)

Summary of the Act

- R.S. 23:1314
 - Employer/Payor can only file 1008 if alleging 1208 fraud.
- R.S. 23:1201.1
 - Does not apply to disputes over medical necessity
 - Provides Employer/Payor with Potential Safe Harbor
 - So long as provisions of 23:1201.1 are followed
 - Authorizes Modification, Suspension, Termination or Controversion of Compensation or Medical Benefits Without Prior Order
 - As long as provisions of 23:1201.1 are followed

R.S. 23:1201.1

- Applies to the first payment of compensation or upon any modification, suspension, termination, or controversion of compensation or medical benefits for any reason, including but not limited to issues of medical causation, compensability of the claim, or issues arising out of R.S. 23:1121, 1124, 1208, and 1226
 - 1121- COP Hearing
 - 1124- Failure to attend SMO/IME: results in suspension of comp
 - 1208- Fraud: results in termination of benefitis
 - 1226- Failure to attend voc: results in 50% reduction
 - Also includes suspension for failure to return LWC-WC Form1020/1025 per Title 40
 - Form 1026 not mentioned



LOUISIANA

WORKFORCE

COMMISSION

Update on Workers' Compensation from Employer/Insurer Perspective

Paul Buffone, JD

Sr. V.P.

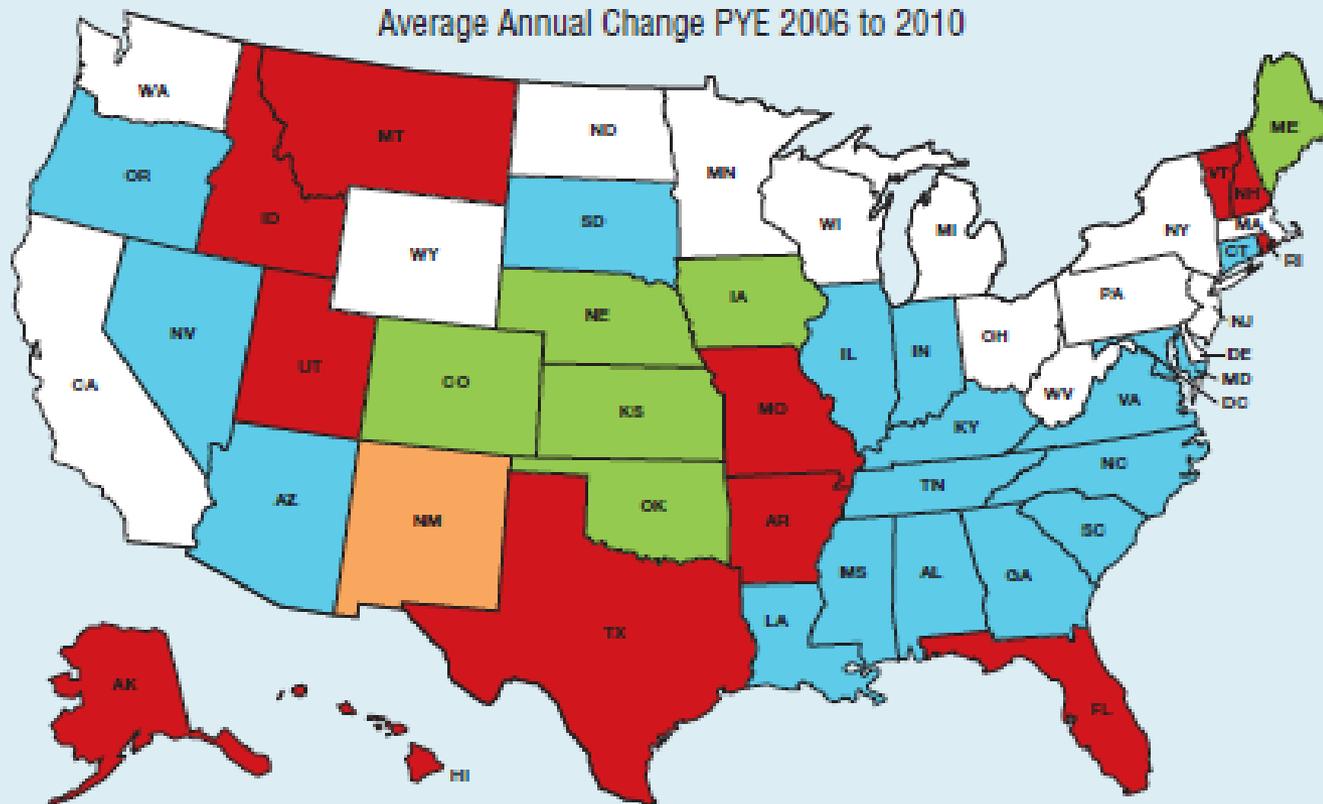
Chief Claims & Information Officer

Pros

- **Medical Treatment Guidelines – implemented 7/15/2011**
- **Utilization review rules as originally passed – implement April 2012**
- **Faster resolution of most UR and medical bill issues**
- **Continued trend of decreasing frequency**

Lost-Time Frequency Changes by State

Average Annual Change PYE 2006 to 2010

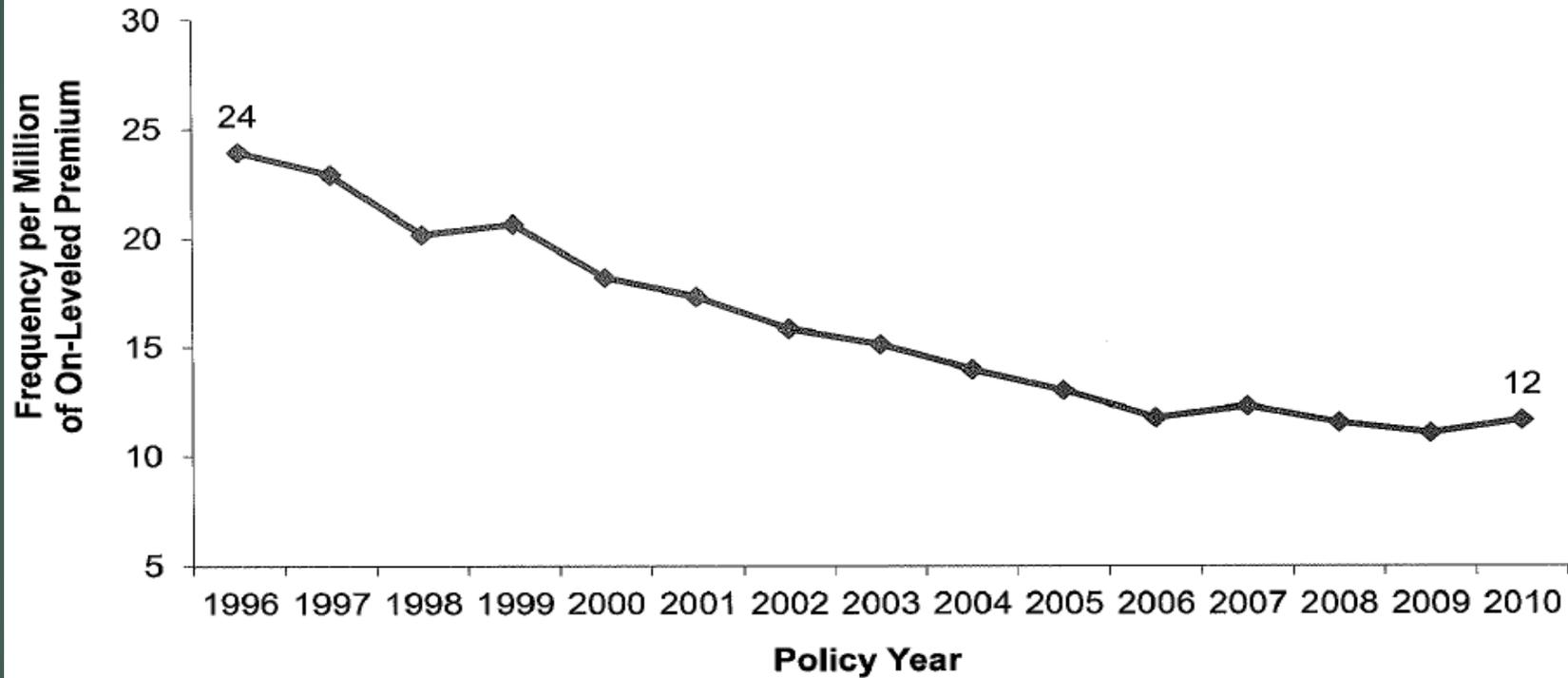


— -6% through -8% — -4% through -6% — -2% through -4% — 0% through -2%

Utah = -8.6%; Independent bureau and monopolistic state fund states are in white.

LWCC®

Louisiana Claim Frequency



Based on NCCI's financial data
Frequency of lost-time claims adjusted to a common wage level

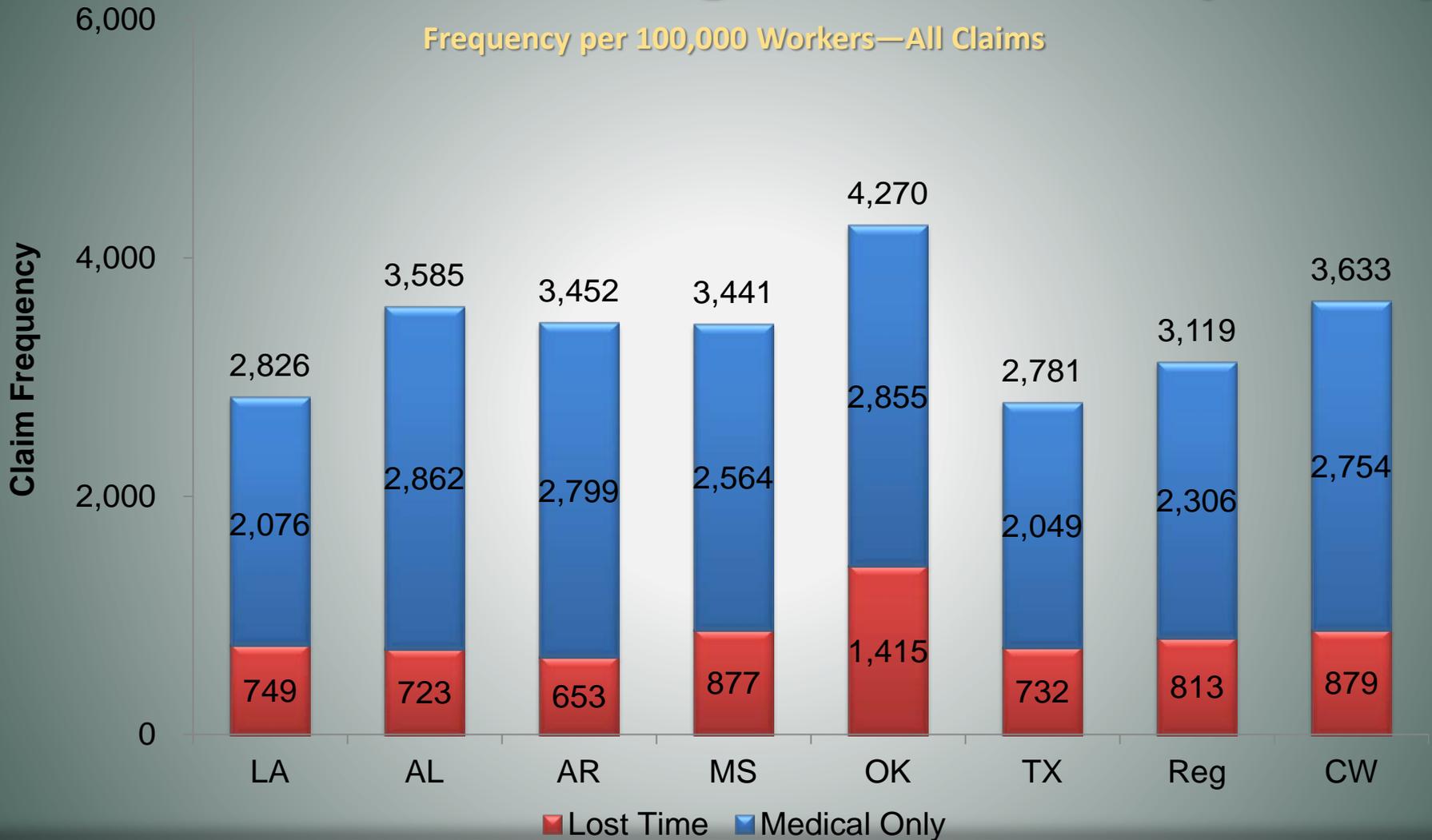
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Louisiana's Average Claim Frequency

Frequency per 100,000 Workers—All Claims



Based on NCCI's *Statistical Plan* data

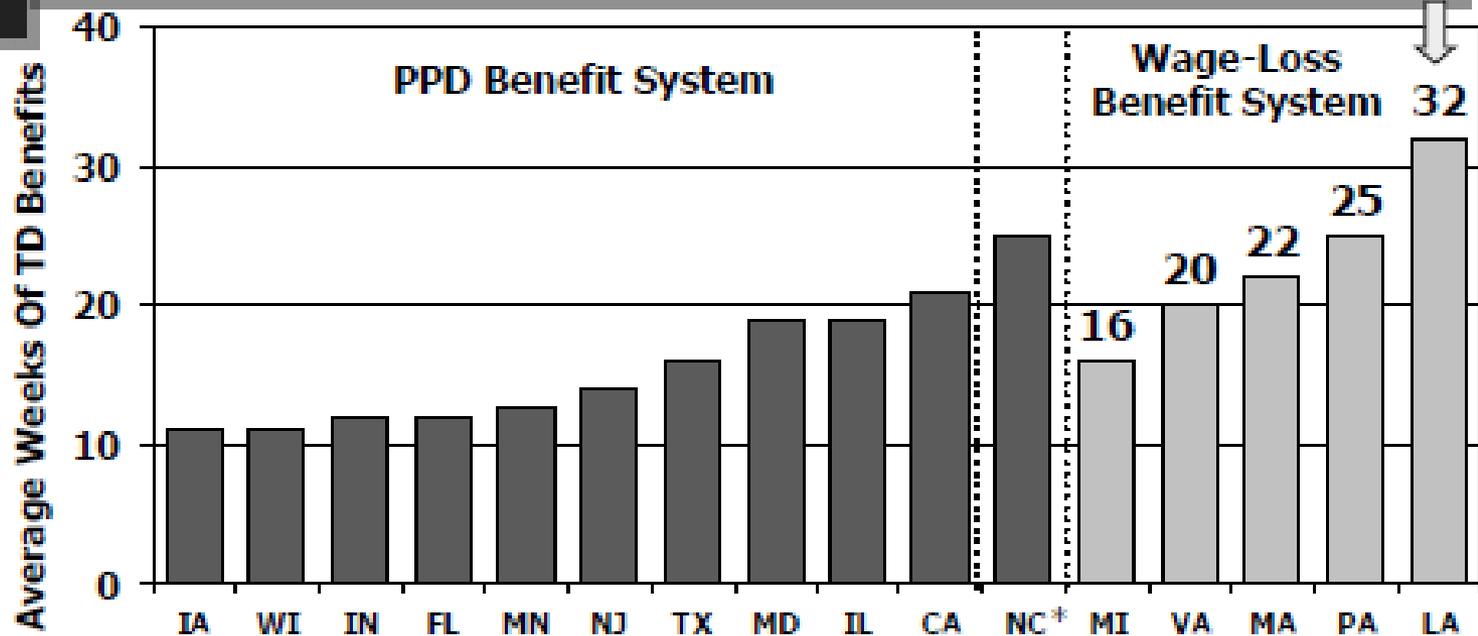
Cons

- LA has been and remains a high claim cost state
- LA is one of a few remaining wage loss states
- Retroactive application of medical treatment guidelines
- Pharmacy utilization

WCRI Key Findings For Louisiana July 2013

- Cost per claim was higher than most states and growing faster from 2006-2011, in all cost components.
- TD duration was 8 to 16 weeks longer than other wage loss states; key driver of higher indemnity cost per claim.
- Medical cost per claim among highest of study states, especially hospital outpatient payments per service.
 - WCRI, July 2013, pg 13

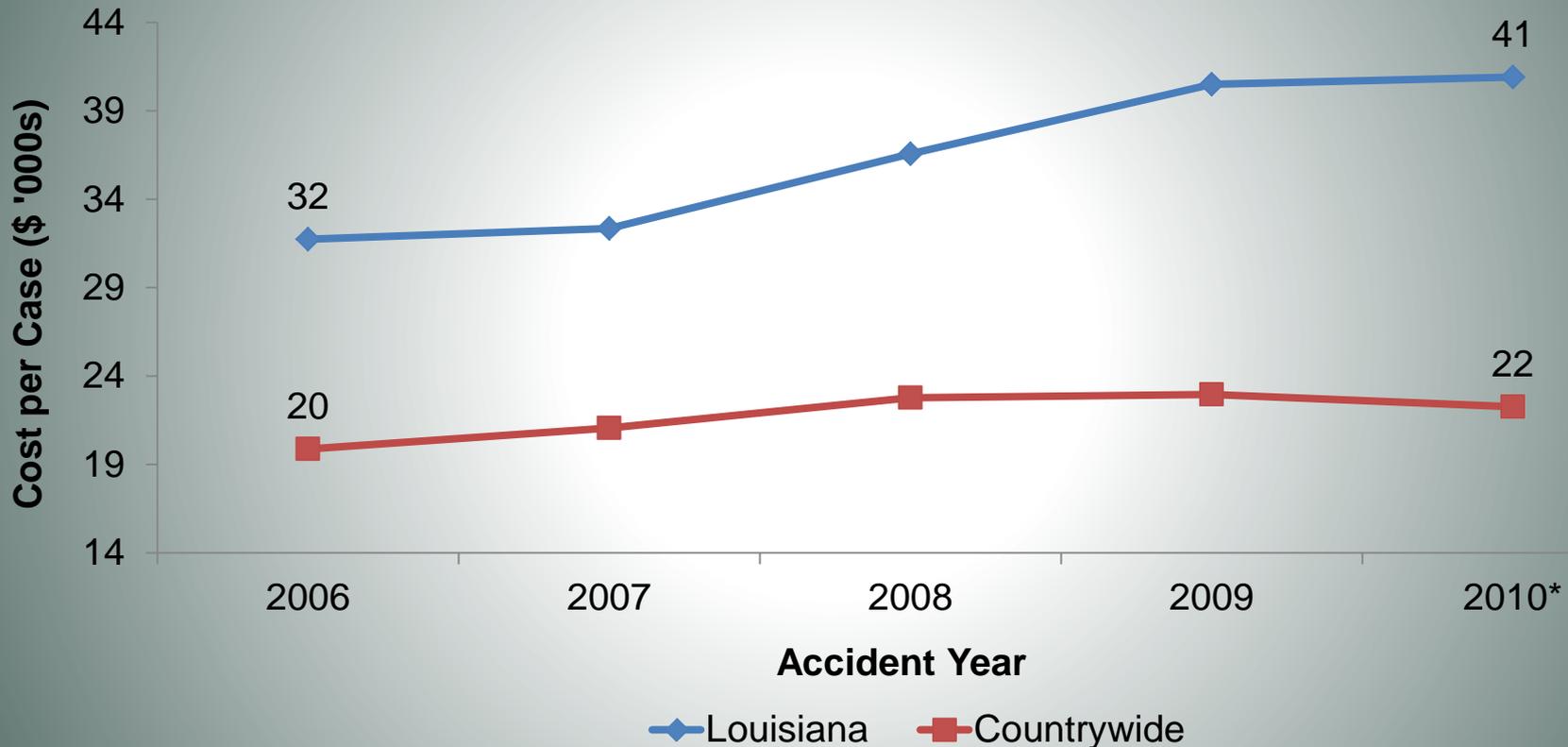
Injured Workers In LA Had Longer TD Duration Than Other Wage-Loss States



2008/11 Claims With > 7 Days Of Lost Time,
Adjusted For Injury/Industry Mix And Wages
* Wage-Loss And PPD



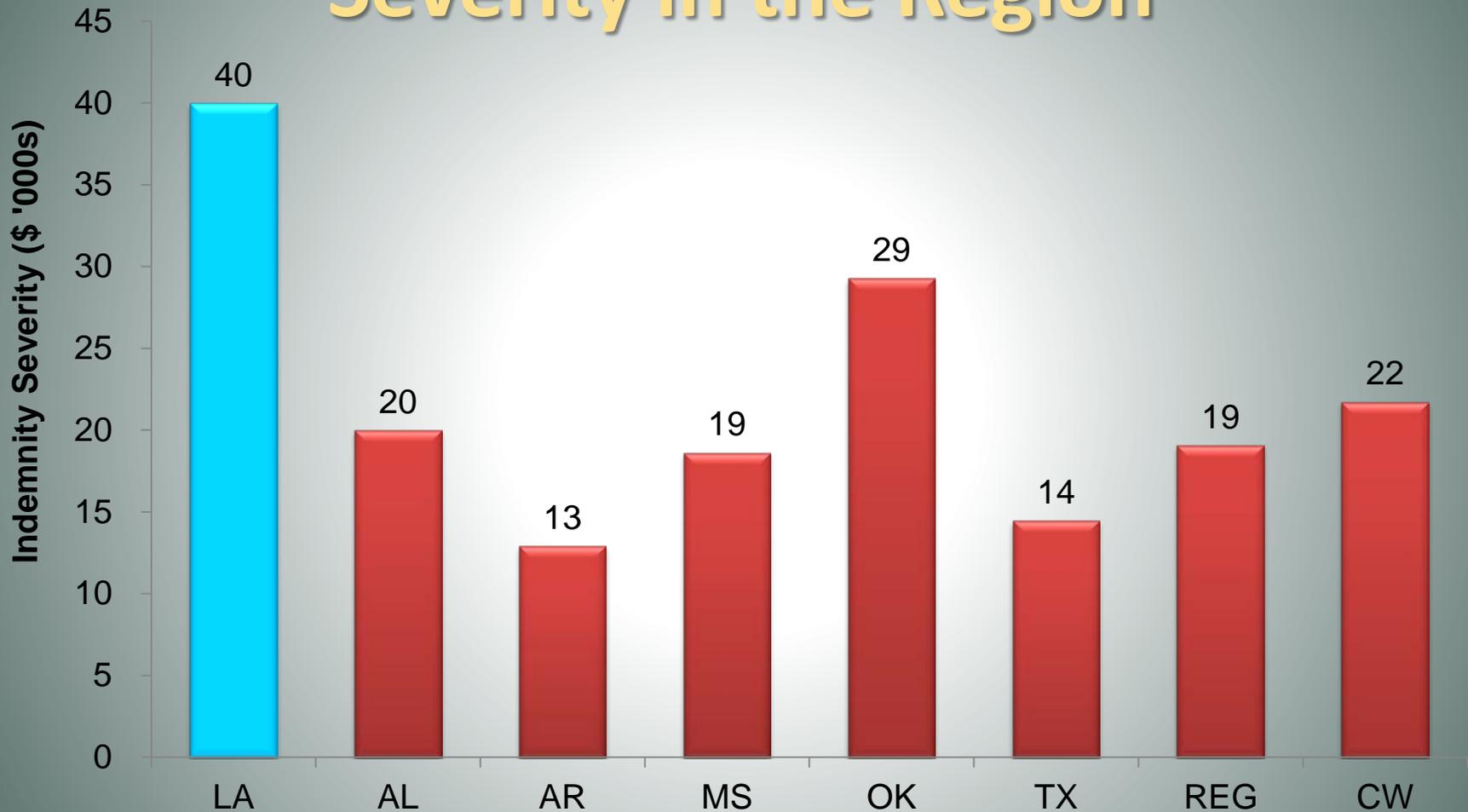
Louisiana vs. Countrywide Average Indemnity Claim Severity



* Countrywide figure is preliminary

Source: NCCI financial data valued as of 12/31/2010

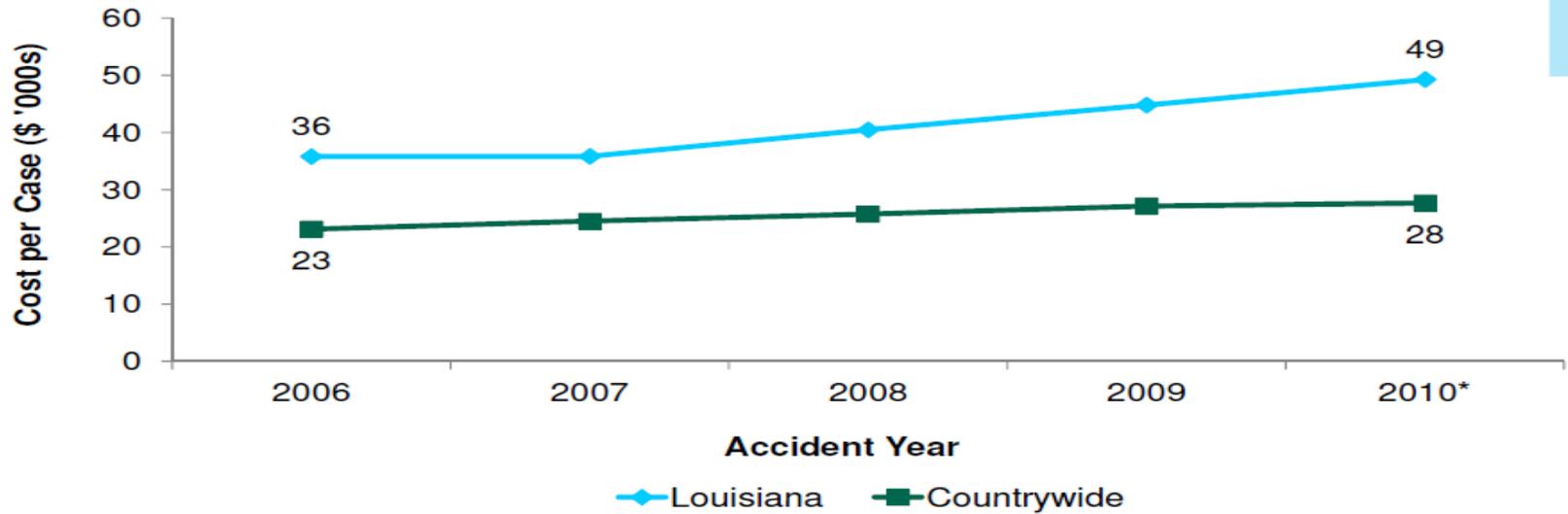
Average Indemnity Claim Severity in the Region



Based on NCCI's financial data for lost-time claims

2010 Medical Severity Data

Louisiana vs. Countrywide Average Medical Claim Severity



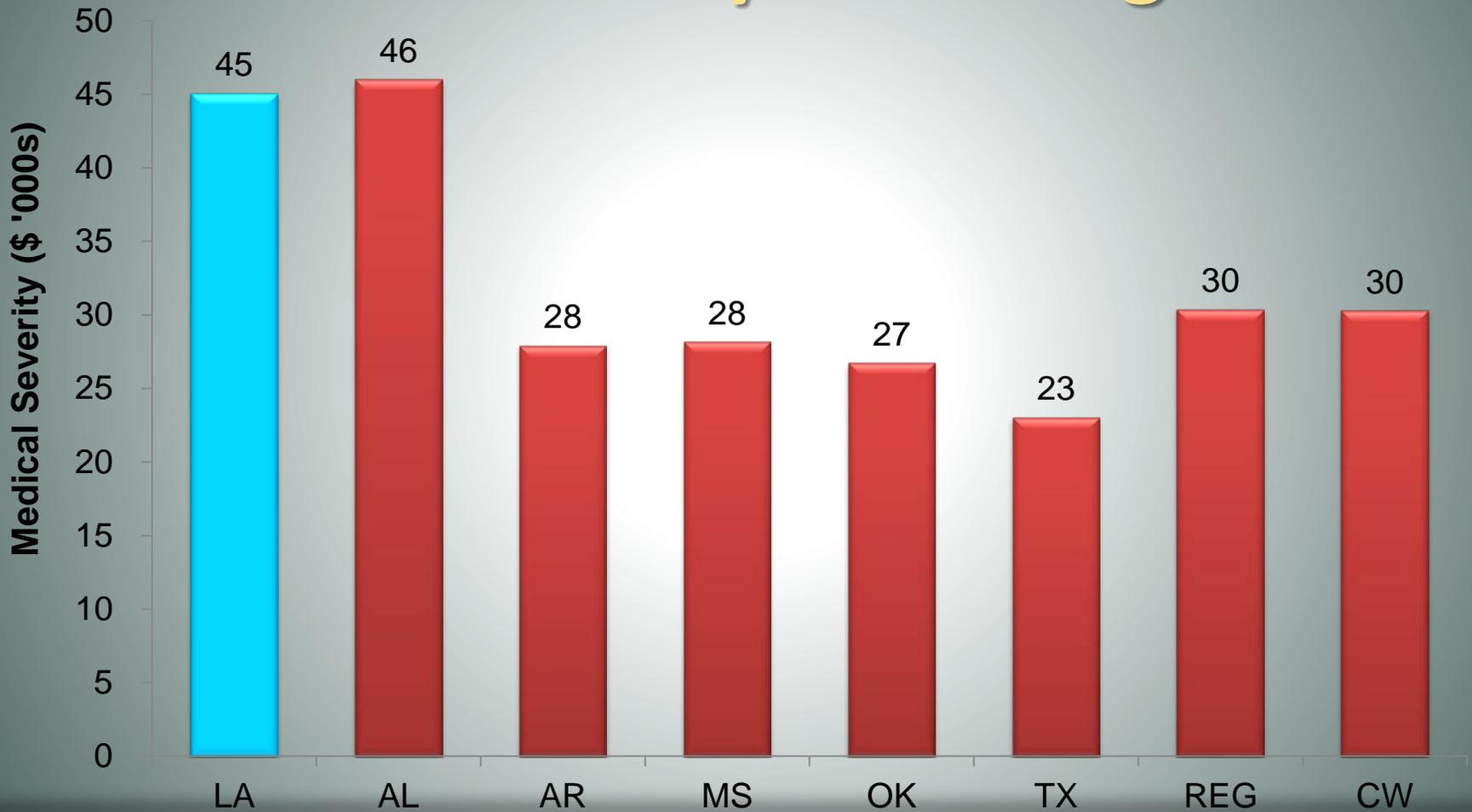
* Countrywide figure is preliminary
Source: NCCI financial data valued as of 12/31/2010

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Average Medical Claim Severity in the Region

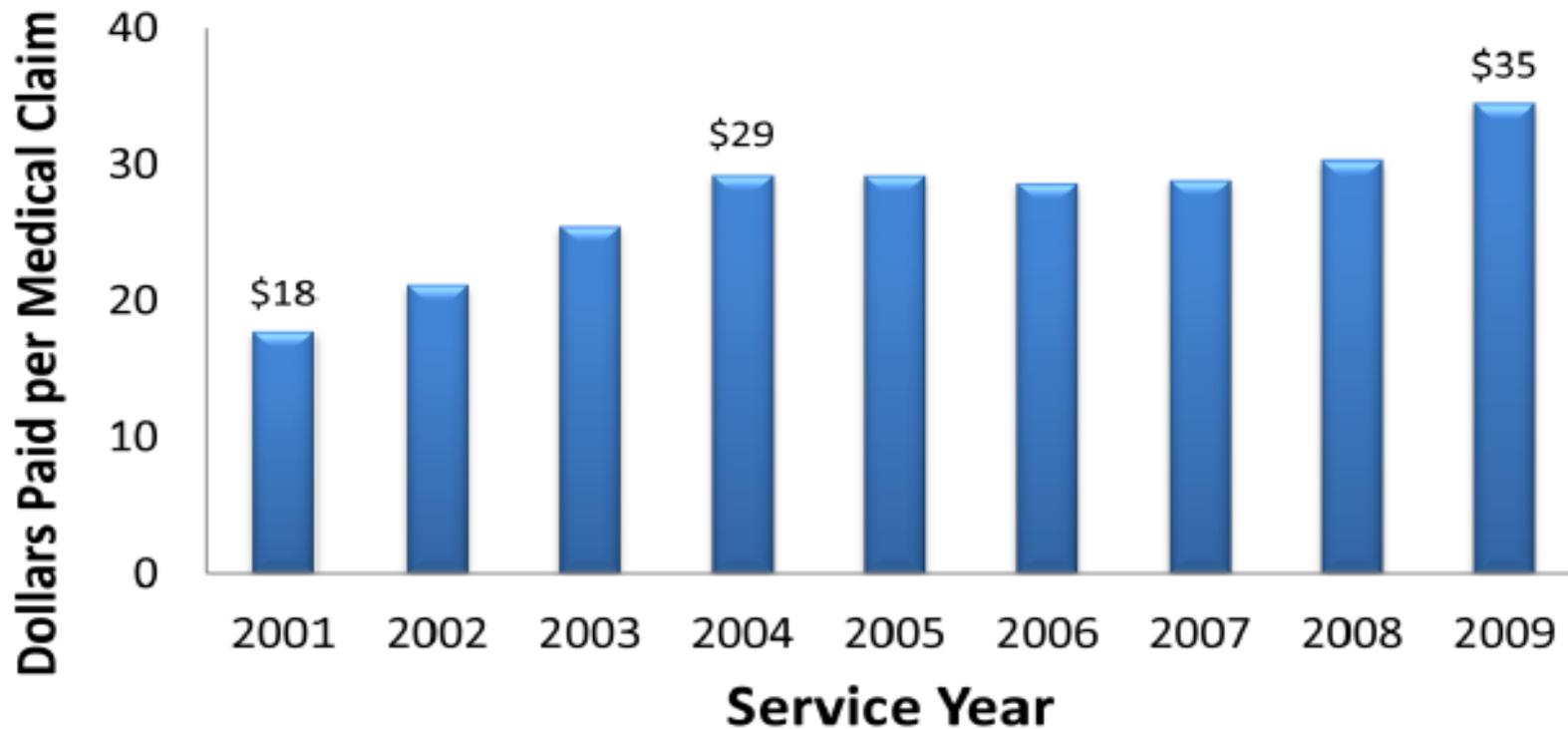


Based on NCCI's financial data for lost-time claims

Pharmacy Cost

- **NCCI study of 46 states found that:**
 - **Per claim drug costs grew by 12% in 2009**
 - **Pharmacy accounts for 19% of WC medical expense**
 - **OxyContin is now the number one drug**
 - **Utilization (# of prescriptions) the main cost driver**

Narcotic Cost per Claim Is Increasing



Source: Derived from sample data provided by carriers

Relative Service Years 1 through 5

Claim counts defined as claims with a medical service by Relative Service Year 2 (AY 2009 is projected)

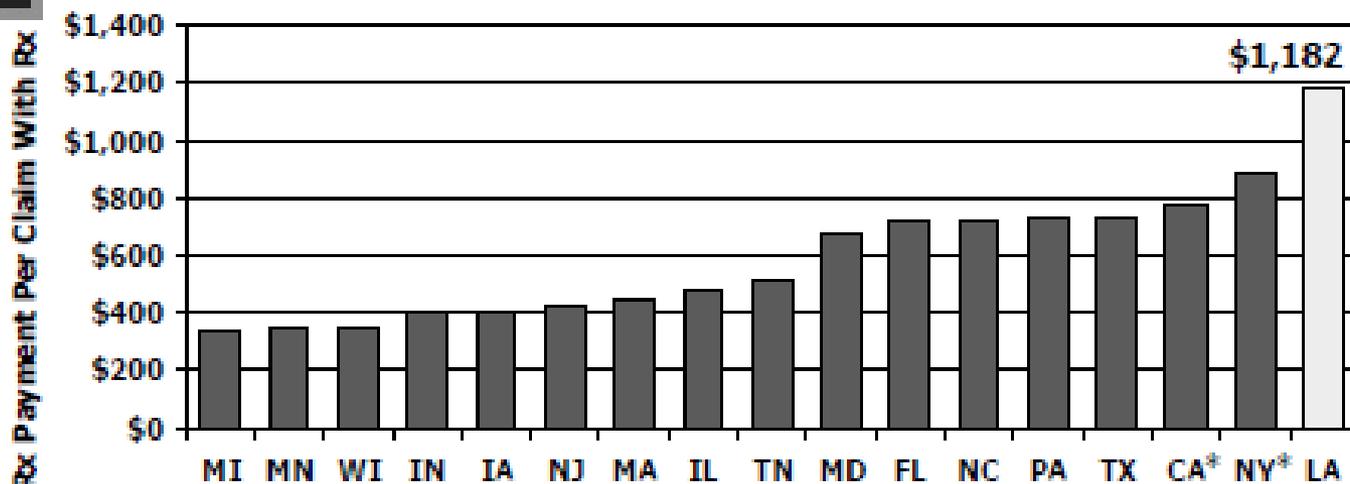
Aggregation of nationwide sample (excluding ND, OH, WA, WV, and WY)

Exhibit 1

LWCC®

How Workers' Comp Is Supposed to Work

Average Rx Payment Per Claim In LA 50–70% Higher Than Group Of States With Higher Rx Costs



Claims With > 7 Days Of Lost Time, Injuries From October 2005 To
September 2006, Prescriptions Filled Through March 2008

* CA And NY Data Partially Reflect Major Statutory Changes In 2007
Affecting Pharmacy Reimbursements

Source: *Prescription Benchmarks, 2nd Edition: Trends And Interstate Comparisons (2011)*

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LA Rx Payment Per Claim More Than Double That Of Typical State, Driven By Utilization And Price

Rx Measure (average per claim with Rx)	LA	17-State Median	% Difference
Rx Payment	\$1,182	\$512	131%
# Rx	17	10	77%
# Pills	804	435	85%
Price per Pill	\$1.53	\$1.30	18%

Claims With > 7 Days Of Lost Time, Injuries From October 2005 To September 2006, Prescriptions Filled Through March 2008

Source: *Prescription Benchmarks, 2nd Edition: Trends And Interstate Comparisons (2011)*

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Average Amount Of Narcotics Per Case In LA Was Among The Highest

Frequency And Utilization Of Narcotics (nonsurgical cases)	LA	17-State Median	% Or ppt Difference
Average MEA/Claim	3,513	1,792	96%
Average # Of Rx/Claim	7.2	4.2	73%
% Claims W/Pain Medications That Had Narcotics	86%	75%	11 ppt
Weaker Strength Narcotics	97%	93%	3 ppt
Schedule II Narcotics	21%	24%	-3 ppt
% Claims With Narcotics – Longer-Term Users	15.4%	6.4%	9 ppt

Claims With > 7 Days Of Lost Time, Injuries From October 2005 To September 2006, Prescriptions Filled Through March 2008

Source: *Interstate Variations In Use Of Narcotics (2011)*



Questions

References

- *Booth, C. & McGhee, A., (2012, December). Louisiana State Advisory Forum 2012, NCCI, Inc.*
- *Laws, C. (2012, May). Narcotics in Workers Compensation, NCCI Holdings, Inc.*
- *Kokulak, D. & McGhee, A., (2012, January). Louisiana State Advisory Forum 2011, NCCI, Inc.*
- *Mealy, D. (2013, May). State of the Line. Lecture conducted from Annual Insurance Symposium Orlando, FL.*
- *NCCI, (2013). Workers Compensation 2013 Issues Report, NCCI Holdings, Inc.*
- *Telles, C., (2012, May). CompScope Medical Benchmarks for Louisiana, 12th Edition, WCRI.*
- *Telles, C., (2012, October). CompScope Benchmarks for Louisiana, 13th Edition, WCRI.*
- *Telles, C. & Dolinschi, R., (2013, July). CompScope Benchmarks for Louisiana 14th Edition, WCRI.*

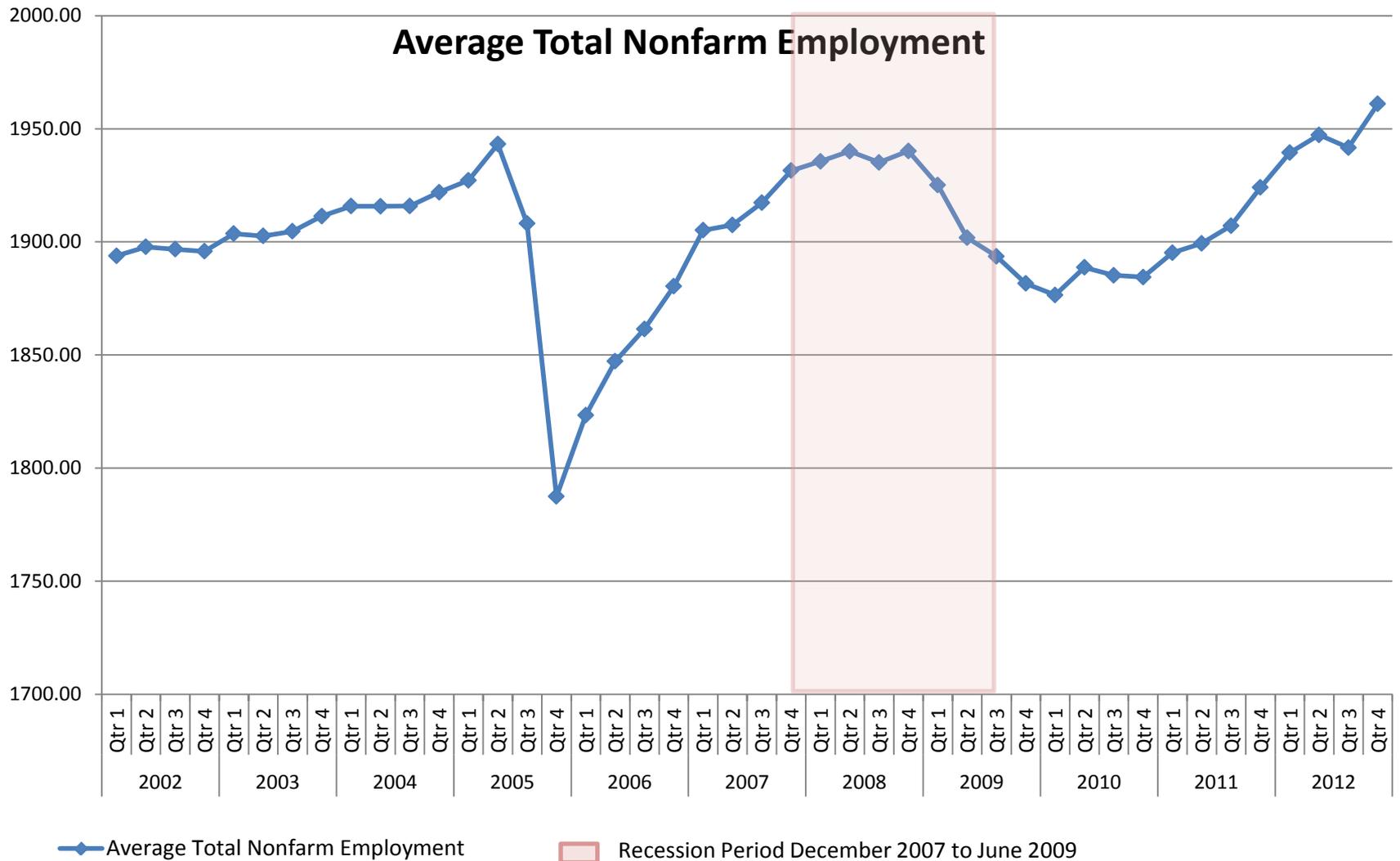
Our Labor Force is Changing. Are You Prepared?

Curt Eysink
LWC Executive Director



Louisiana Property and Casualty
Insurance Commission
Aug. 20, 2013

Job growth means changing risks

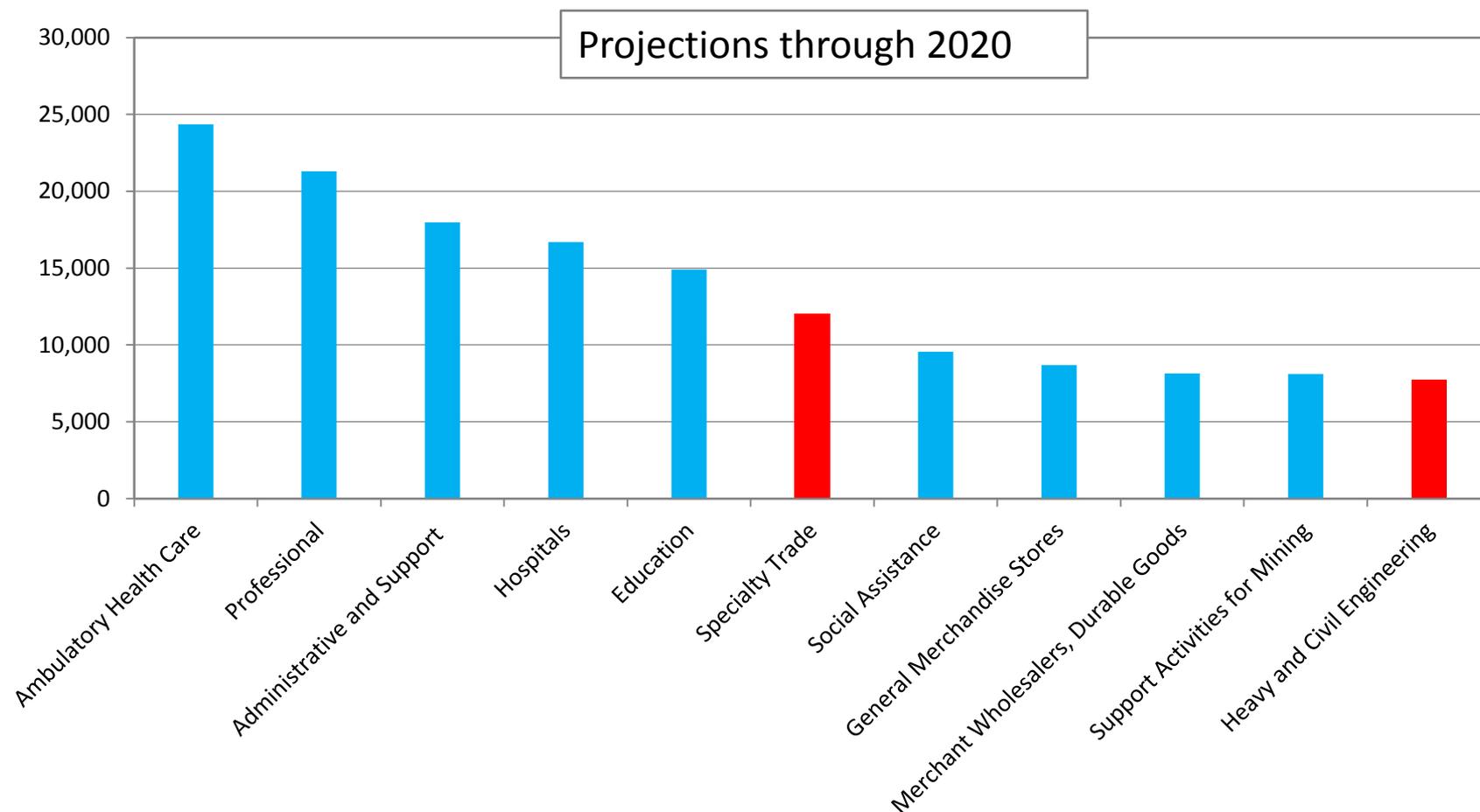


Many factors will affect risk

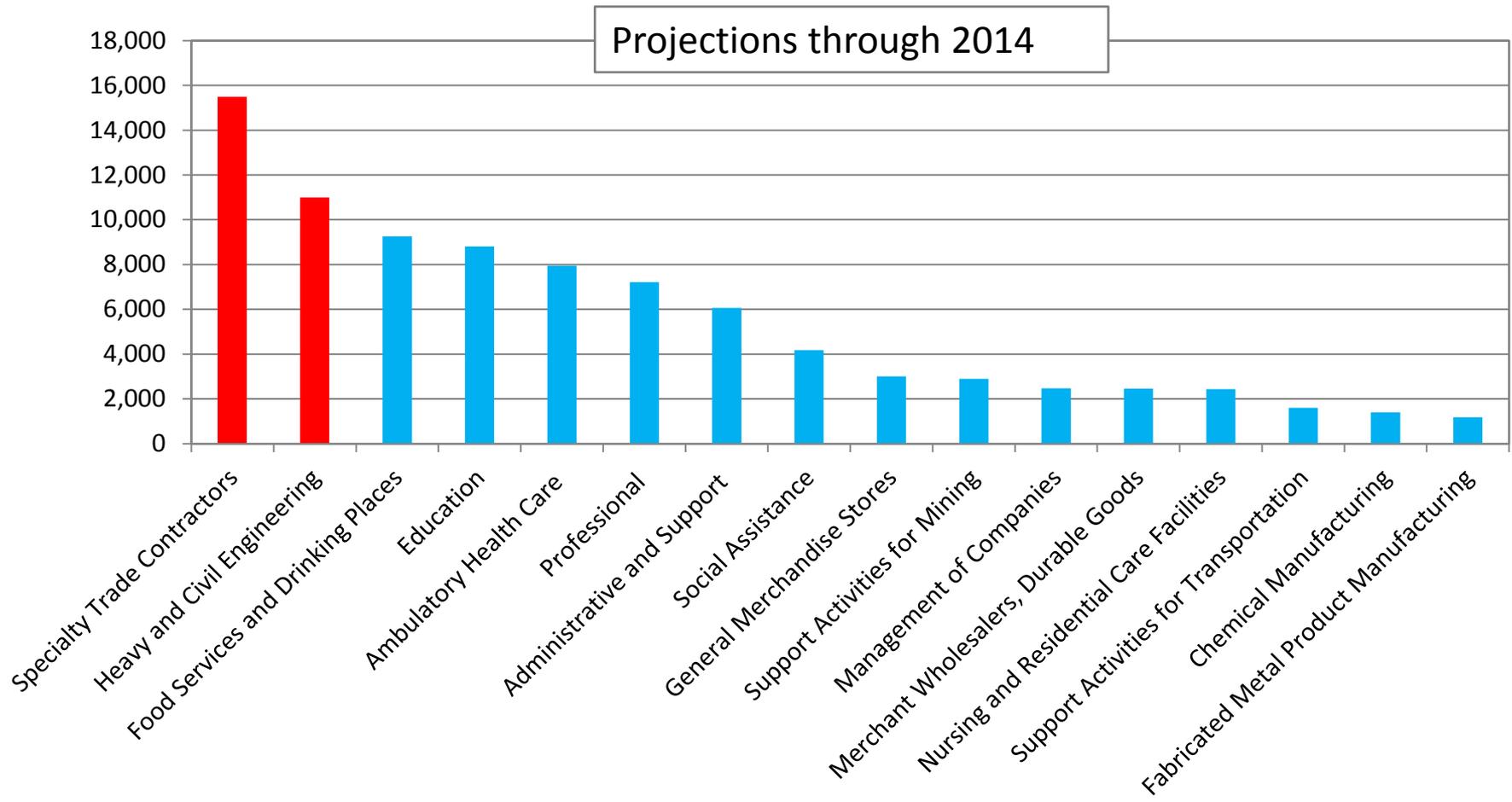
- Job growth is occurring in most industry sectors
- Inexperienced workers are replacing retiring baby boomers
- A historic spike in industrial construction will drive rapid short-term growth
- Industry sectors in which injuries are more common are growing
- Most of the growth is forecast to occur in South Louisiana, where hurricanes can threaten



Long-term growth by industry

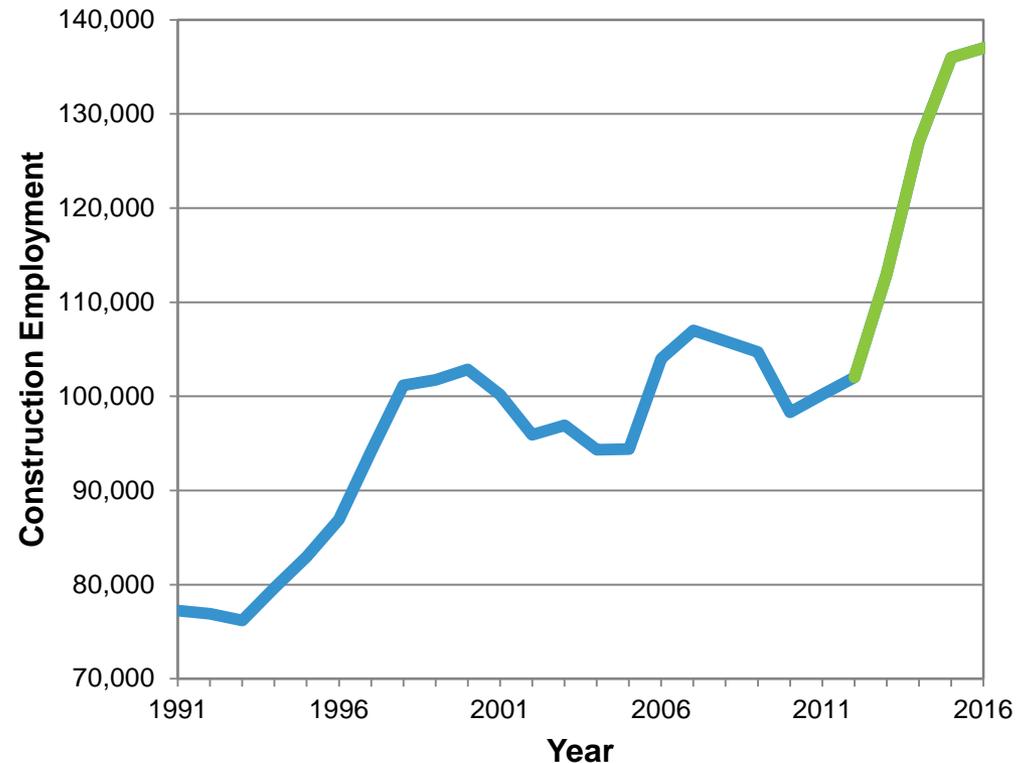


Short-term growth by industry



Historic demand for industrial craft workers

- **\$60 billion** of announced plant expansions and new plants
 - Driven by low price of natural gas and greatly improved business climate
- **86,300** new crafts workers needed through 2016
 - 35,000 new jobs
 - 51,300 jobs available because of attrition



Source: LSU Division of Economic Development, Louisiana Workforce Commission and Louisiana Economic Development

Demand for workers is statewide, But greatest in South Louisiana

Total Additional Workers Required					
	2013	2014	2015	2016	Totals
New Orleans	5,595	6,407	2,812	3,000	17,814
Baton Rouge	6,165	7,448	4,352	2,100	20,065
Lake Charles	3,269	7,936	11,289	5,800	28,294
Other	7,272	4,909	4,147	3,800	20,128
Statewide	22,300	26,700	22,600	14,700	
TOTAL REQUIRED THROUGH 2016					86,300

Surplus Lines Market Overview



B. SCOTT LANDRY, CPCU, ASLI, AIS

Characteristics of Insurance



- *Purchase of a promise - intangible*
- *Complex document - legal contract*
- *Provides important benefits – payment of losses, reduction of uncertainty, loss control, supports credit, reduces social burdens, satisfies legal or business requirements, source of investment funds*

Why the need for Regulation?



- *To protect consumers*
- *To maintain insurer solvency*
- *To prevent destructive competition*

Regulations can limit a carriers' ability to provide coverage. There are risks standard carriers are not able/willing to write. This is why the Surplus Lines Market is needed.

Why the need for Surplus Lines?



- **Distressed Risk** – characterized by unfavorable attributes that have made it unacceptable to admitted carriers. Ex - risks poor loss experience
- **Unique Risk** – a specialized or unusual risk that is difficult for an admitted insurer to insure because no policy form meets its particular needs. Ex. - Mardi Gras Krews, Asbestos remediation contractor
- **High Capacity Risk** – a risk that requires high limits of insurance that may exceed the underwriting criteria of an admitted insurer. Ex. - airport, sports facility
- **New or Emerging Risk** – require special expertise and flexibility. Ex - cyber liability

Surplus Lines Market



- Surplus lines insurers and their intermediaries constitute a distribution system called the surplus lines market.
- The surplus lines market provides insurance to consumers whose needs are not met by the standard/admitted insurance market.
- The surplus lines insurers are also referred to as Excess and Surplus (E&S), Non-admitted, Approved Unauthorized Insurers, Eligible Unauthorized Insurers.

Characteristics of the Surplus Market



- Surplus lines insurers are not licensed by the state.
- In Louisiana and many states, a “white list” indicates which insurers meet the state’s eligibility requirement.
- Surplus lines laws permit specialty licensed intermediaries/brokers to “export” risks to eligible surplus lines insurers.
- Surplus lines tax is collected directly from the insured and remitted to the state by the surplus lines broker.
- Surplus lines carriers are normally not subject to guaranty fund protection.
- Surplus lines have primacy over residual markets.

What Empowers the Surplus Lines Market?



- Freedom of Rate and Form - Surplus line carriers are not bound by most of the rate and form regulations, allowing them the flexibility to change the coverage offered and the rate charged without time constraints and financial costs associated with the filing process.

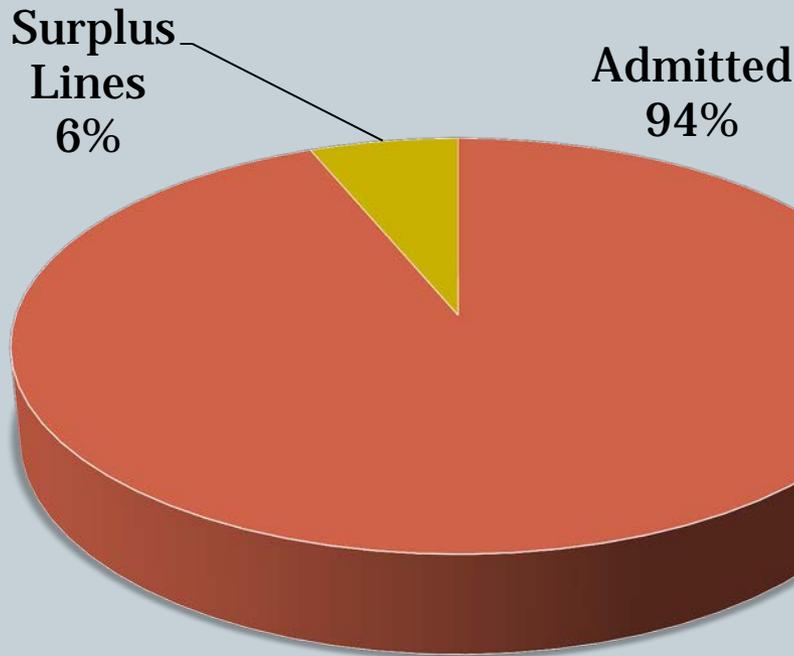
Surplus Lines Insurance Products



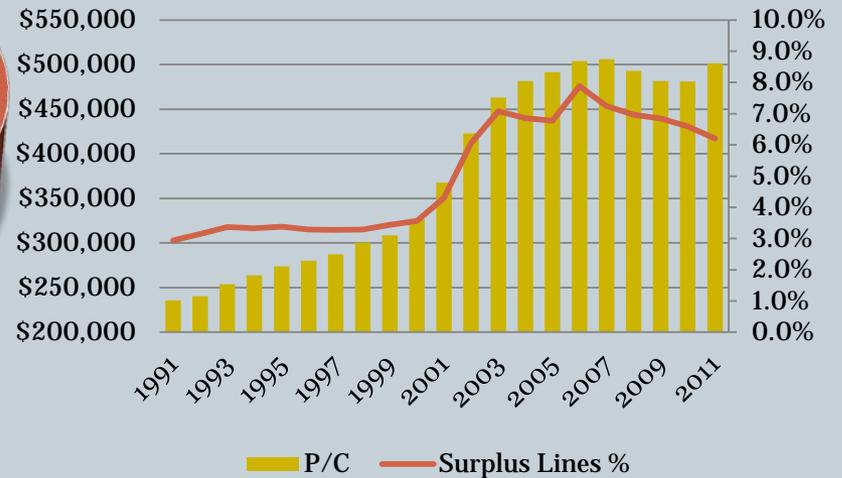
- **General Liability**
- **Management Liability**
- **Professional Liability**
- **Commercial Auto**
- **Environmental**
- **Excess and Umbrella Liability**
- **Commercial Property**
- **Ocean Marine and Inland Marine**
- **Commercial Crime**
- **Aviation**
- **Personal Insurance**

U.S. Insurance Market

2011 Total Property and Casualty Industry



US P/C Total Premium



Top States for Surplus Lines

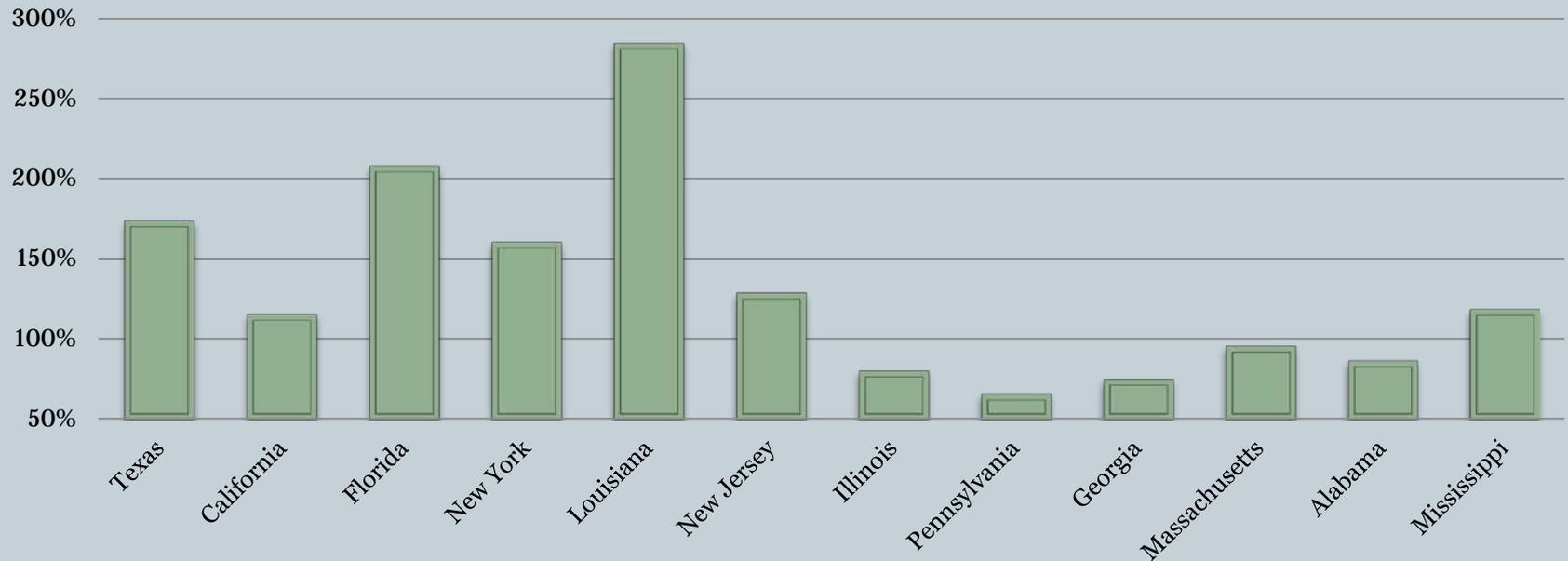


State	2010 Surplus Lines Premium	% of U.S. Surplus Premium	% of U.S. Population	Surplus Premium Rank	U.S. Population Rank	Rank Difference	# of Fortune 500 Companies	2010 Surplus Lines Tax Collected	Tax Rate
Texas	\$4,342,933,747	14.00%	8.04%	1	2	1	51	\$160,957,958	4.90%
California	\$4,281,088,592	13.80%	11.91%	2	1	-1	57	\$113,567,663	3.00%
Florida	\$3,887,288,162	12.53%	6.01%	3	4	1	16	\$175,425,869	5.00%
New York	\$3,086,813,224	9.95%	6.19%	4	3	-1	58	\$72,555,433	3.60%
Louisiana	\$1,279,435,677	4.13%	1.45%	5	25	20	3	\$63,971,459	5.00%
New Jersey	\$1,126,682,343	3.63%	2.81%	6	11	5	20	\$50,072,658	5.00%
Illinois	\$1,026,856,572	3.31%	4.10%	7	5	-2	30	\$33,384,215	3.50%
Pennsylvania	\$832,833,859	2.69%	4.06%	8	6	-2	23	\$25,689,664	3.00%
Georgia	\$725,432,250	2.34%	3.10%	9	8	-1	12	\$29,017,289	4.00%
Massachusetts	\$622,576,217	2.01%	2.09%	10	14	4	13	\$23,303,366	4.00%
Alabama	\$413,137,083	1.33%	1.53%	18	23	5	1	\$24,788,225	6.00%
Mississippi	\$351,940,243	1.13%	0.95%	20	32	12	0	\$14,078,306	4.00%

Surplus Utilization



Surplus Lines Utilization Ratio



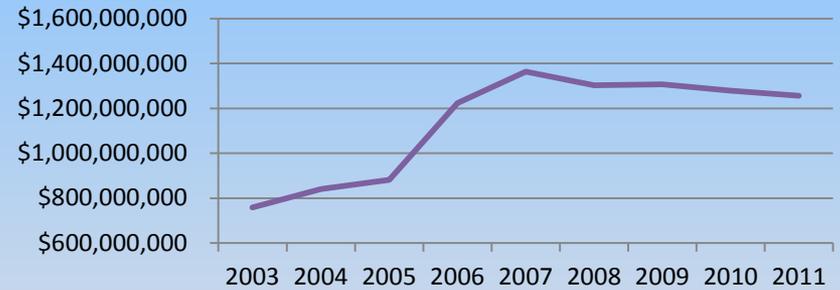
Louisiana Surplus Premium Volume

Year	Total P&C Premiums	Surplus Lines Premiums	Surplus Lines % of Total
2003	\$7,332,109,125	\$758,734,765	10.35%
2004	\$7,734,316,558	\$840,477,720	10.87%
2005	\$8,067,909,252	\$882,190,525	10.93%
2006	\$9,325,316,819	\$1,223,623,323	13.12%
2007	\$9,587,521,425	\$1,363,644,232	14.22%
2008	\$9,704,602,435	\$1,303,436,066	13.43%
2009	\$9,936,890,482	\$1,307,567,784	13.16%
2010	\$9,989,283,268	\$1,279,435,677	12.81%
2011	\$10,034,800,736	\$1,255,578,355	12.51%

Louisiana P&C Premiums



Louisiana Surplus Lines Premiums



Louisiana Surplus Lines %



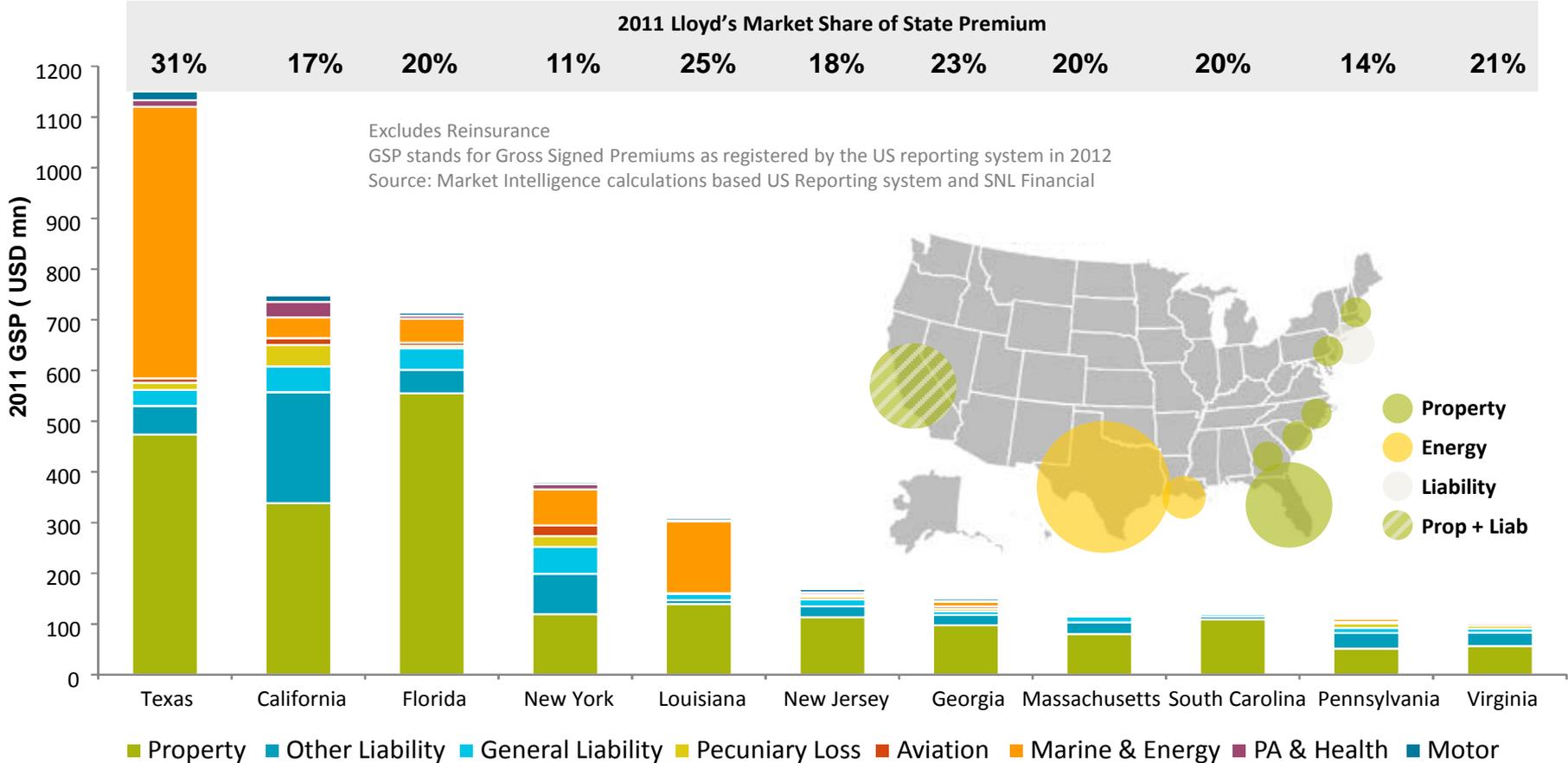
Top Ten U.S. Surplus Lines Providers



Rank	Group Name	Surplus DPW	Surplus Market Share
1	Lloyd's	\$5,790	18.6%
2	AIG	\$5,345	17.2%
3	Nationwide Group	\$1,254	4.0%
4	Zurich Financial	\$1,061	3.4%
5	W.R. Berkley	\$977	3.1%
6	ACE	\$860	2.8%
7	Markel	\$770	2.5%
8	CNA	\$712	2.3%
9	Ironshore	\$610	2.0%
10	QBE Americas	\$583	1.9%

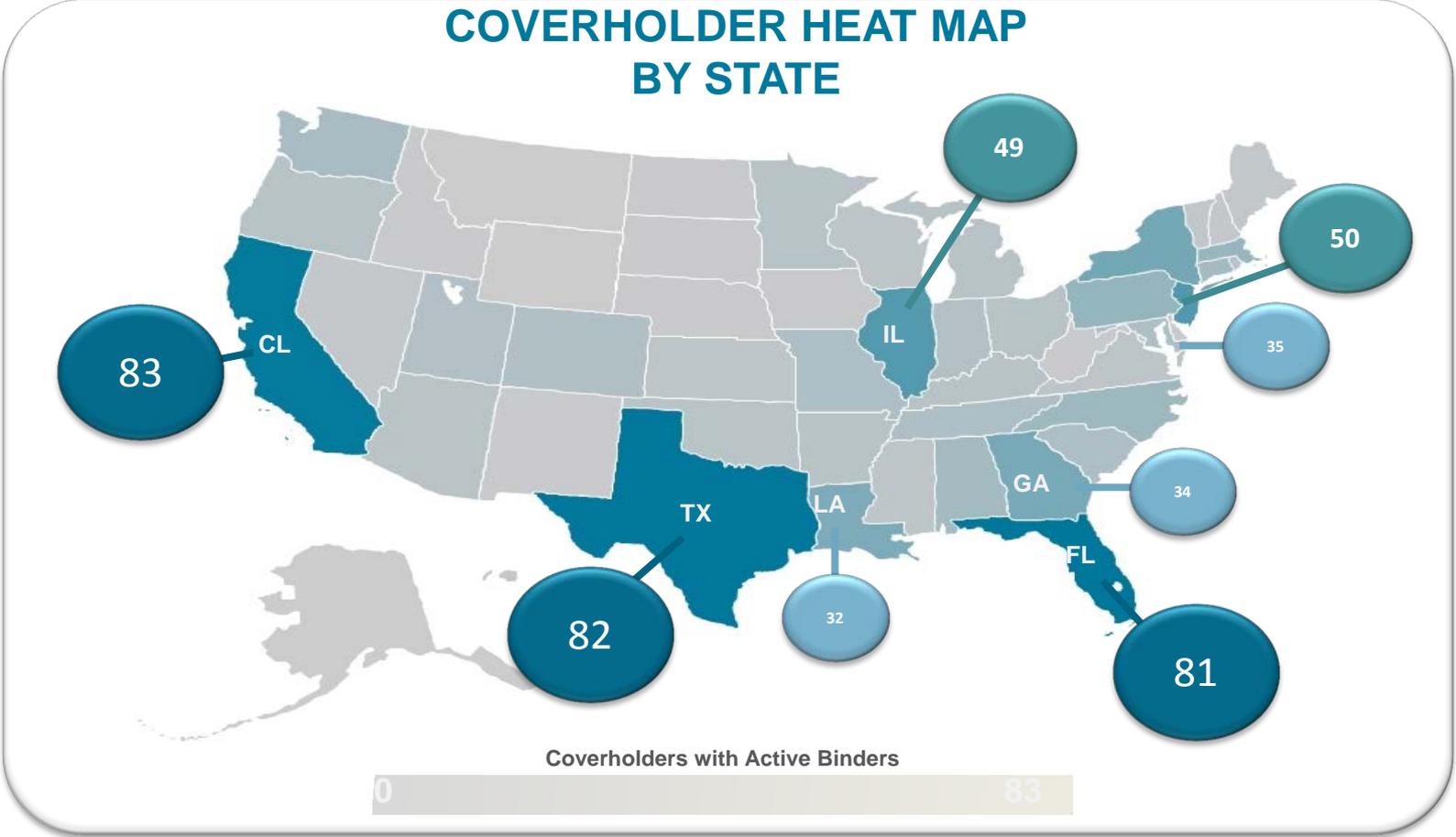
Lloyd's > Top 10 States (E&S Premium)

Lloyd's share of the E&S market in Texas, Louisiana, Georgia, Virginia and Florida ranges from 20 – 31%. Catastrophe capacity provided by Lloyd's fills a critical need in these states.



Source: Market Intelligence calculations based on: US Reporting system and SNL Financial; Gross of outward reinsurance; GSP stands for Gross Signed Premiums as registered by the US reporting system in 2012

Lloyd's > Coverholder Profile



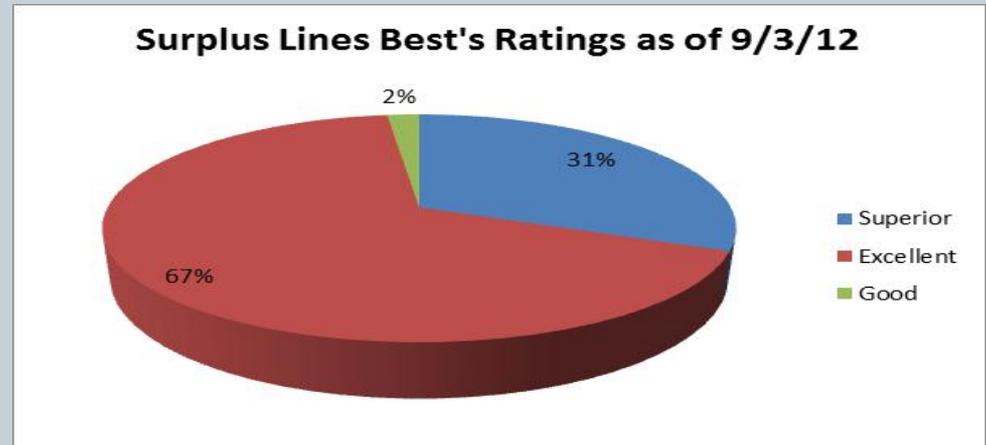
- Total premium written by Lloyd's coverholders (MGA's) in 2011 was US\$ 2.8bn

Source: Market Intelligence calculation based on: Delegated Authority Team, (May 2012); * only counting active binding authorities as of May 2012

Solvency



- 100% of surplus lines carriers rated “Secure” by A.M. Best
- No vulnerable ratings for 103 domestic professional surplus lines insurers
- 2012 will mark the 9th year without a financially impaired surplus line company



Market Cycles

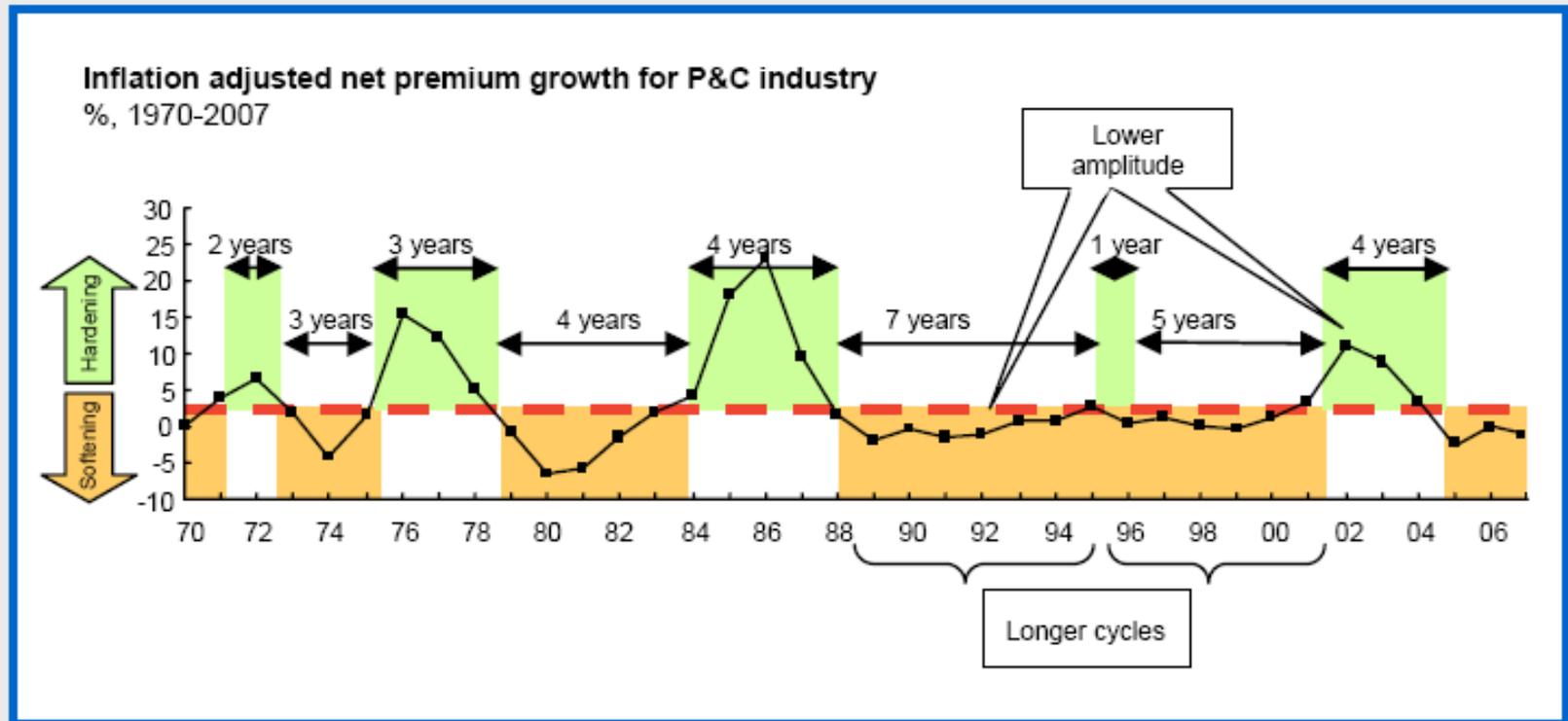


- **Soft market** — lower rates, relaxed underwriting, underwriting losses
- **Hard market** — higher rates, restrictive underwriting, underwriting gains
- **Factors that drive the market cycle**
 - Change in non-catastrophic losses
 - Change in interest rates
 - Change in policy holder surplus
 - Change in catastrophic losses
 - Momentum

Are Cycles Changing?



The cycle is lengthening; amplitude is decreasing



Sources: Conning & Company; Standard & Poor's; Insurance Information Institute; McKinsey team analysis

Factors Weakening the Cycle



- Regulation
- Rating Services
- Information Technology
- Globalization
- Modeling
- Investment Options

2013 Louisiana Surplus Lines Legislation



- **ACT 203 – HB 543**
- **Liberalized the rules for obtaining surplus lines insurance coverage by allowing the use of surplus lines insurance without regard to the availability of admitted coverage**
- **Requires written authorization to procure personal lines insurance in the surplus market**
- **Implements the Dodd-Frank Act of 2010 and makes the “white list” voluntary**
- **Added new definition of “eligible unauthorized insurer”**

Thanks



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- **Madeleine Landry – Academy of the Sacred Heart**

Questions

