



Report Highlights

Department of Insurance

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Why We Conducted This Audit

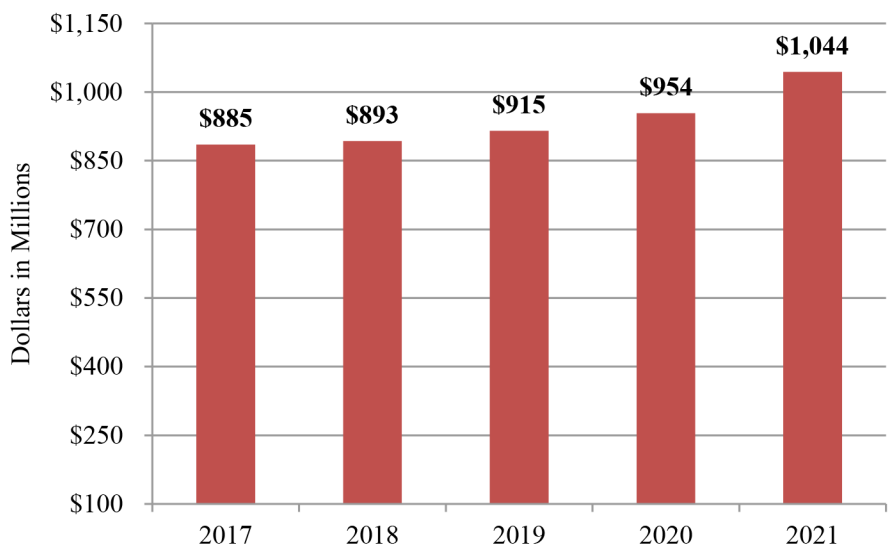
We performed certain procedures at the Louisiana Department of Insurance (DOI) as a part of the Annual Comprehensive Financial Report of the State of Louisiana, the Single Audit of the State of Louisiana, and to evaluate DOI's accountability over public funds for the period July 1, 2020, through June 30, 2021. In addition, we performed procedures in certain areas to evaluate DOI's internal controls and compliance with related laws and regulations.

What We Found

- Management has resolved the prior-year finding, Failure to Certify and Approve Time and Attendance Records.
- Financial information relating to insurance premium tax revenues and receivables was materially correct. Based on the results of these procedures, we did not report any findings.
- We also performed procedures to evaluate certain internal controls DOI uses to ensure accurate financial reporting and compliance with applicable laws and regulations over the Louisiana Insurance Rating Assessment, payroll, monitoring activities of the Office of Financial Solvency, producer licensing fees, professional service contracts, the transition to a new financial system, and the internal audit function. Based on these procedures, we did not report any findings.

- We compared the most current and prior-year financial activity using Annual Fiscal Reports and/or system-generated reports and obtained explanations from DOI's management for any significant variances. As shown in the chart at right, premium tax revenues have steadily increased each fiscal year due to rising insurance premiums and the addition of new health premiums written through the Medicaid-Enrollment Managed Care Organizations. Premium taxes for fiscal year 2021 increased by approximately \$90 million, or 9.4%, from fiscal year 2020, which was the largest annual increase over the last five fiscal years. This was primarily caused by an \$86 million increase in premium taxes for the Medicaid-Enrolled Managed Care Organizations due to Medicaid expansion.

Premium Taxes Collected, by Fiscal Year



Source: 2017-2021 Annual Reports