

# Report Highlights

## Department of Insurance

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### Why We Conducted This Audit

We conducted our procedures at the Louisiana Department of Insurance (department) to evaluate its accountability over public funds for the period July 1, 2011, through June 30, 2013.

### What We Found

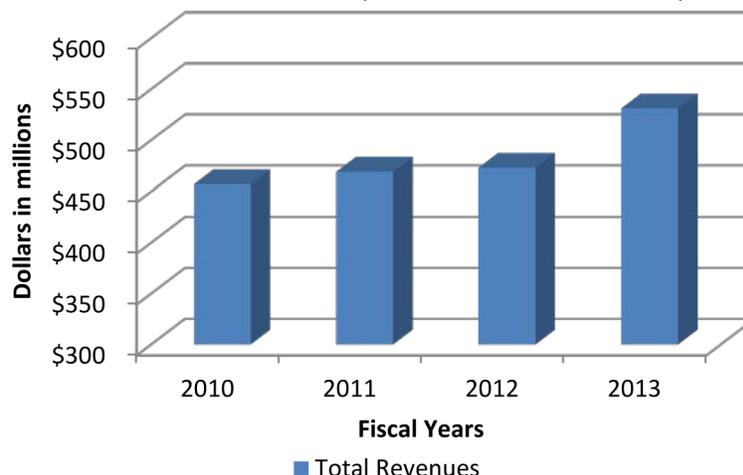
We evaluated controls and compliance relating to producer licenses, Louisiana Insurance Rating assessments, premium taxes, the Insurance Louisiana Incentive Program, and the transfer of funds as required by Act 597 of the 2012 Legislative Session. We found that the related controls provide reasonable accountability over public funds for the period examined.

We followed up on the prior audit finding relating to the lack of an effective internal audit function and noted that the department attempted to correct this finding. However, because of turnover beginning in fiscal year 2011, the department replaced its sole internal audit position three times, with the last internal auditor hired in January 2013. As a result, few audits of high risk areas were completed, and the finding was repeated in our procedural report.

We compared current and prior year financial information and determined the changes in the accounts to be reasonable. As shown in the four-year trend analysis below, revenue increased substantially during fiscal year 2013. Premium taxes account for the majority of revenue at the department, and these taxes increased primarily because of an average 9% rise in insurance premiums and the addition of new health premiums written through the Medicaid-Enrolled Managed Care Organization.

#### Revenue Trend

Source: 2010-2012 Annual Reports and 2013 Annual Fiscal Report



View the full report, including management's response, at [www.lia.la.gov](http://www.lia.la.gov).