



DIVISION OF ADMINISTRATION

OFFICE OF RISK MANAGEMENT

**Commercial Insurance Placement
Report and
Financial Analysis**

Fiscal Year 2024-2025

(Effective July 1, 2024 pursuant to R.S. 39:1540)

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Executive Summary

Pursuant to R.S. 39:1540(B)(3), the Division of Administration, Office of Risk Management provides herein an annual report and financial analysis of contracts and lines of insurance coverage secured under the authority of 39:1540(B)(1).

In Fiscal Year 2015, the Office of Risk Management (ORM) issued a Broker Services Request for Proposals (RFP) for insurance brokerage and related services. The initial contract, for 2015-2018, was awarded to Arthur J. Gallagher Risk Management Services, Inc. (Gallagher).

In 2018 a second Broker Services RFP was issued, and a five-year contract from February 1, 2018, to January 31, 2023, was again awarded to Gallagher. This was followed by an emergency contract extension through October 31, 2023. This extension was needed to manage the timing of the award process for the third Broker Services RFP, to better coincide with the effective dates of the State's commercially placed insurance renewals. Thereafter, a new contract was awarded under the RFP to Gallagher, for the three-year period of November 1, 2023, to October 31, 2026, with the option to renew for an additional two years which, if exercised, would extend the term to October 31, 2028.

The insurance placement model authorized by 39:1540(B)(1) has been successful and continues to greatly benefit the State's risk insurance program. ORM has maintained increased coverage limits since the 2015 brokerage contract's inception, and has vastly increased the number of markets competing for participation in the State's risk program. Additionally, ORM has been able to access multiple non-traditional (peculiar to the needs of governmental entities) insurance options providing specialized coverages at a competitive price.

In retrospect, the Legislature's enactment of 39:1540 has proven to be beneficial to the State, especially when considering the insurance market's performance over the past seven years. Following six consecutive years of losses, 2023 marked the most severe hardening of the property market in recent history. This hardening was attributed not only to significant losses sustained in Louisiana, but also across the entire United States. Additionally, substantial changes in the reinsurance industry, including significant rate increases, reductions in available capacity, and alterations of terms and conditions that have shifted the burden of losses from reinsurers to carriers and syndicates, have impacted the marketplace and continue to do so. Consequently, 2023 is regarded as the most challenging reinsurance marketplace in recorded history.

R.S. 39:1540 allows ORM to consistently deliver significant cost savings and essential benefits to the State, thereby ensuring the maintenance of adequate insurance coverage for recovery from catastrophic events. Initially, ORM projected annual cost savings from this legislative change to be approximately \$9,000,000, but given the evolving conditions of the insurance market over the past two years, this figure has increased to an estimated annual savings exceeding \$14,000,000.¹

¹ Act 374, (2016 RS) modified R.S. 39:1528(B) to eliminate the requirement for ORM to pay surplus lines taxes and surcharges. Combined savings for these taxes/surcharges equaled \$2,456,874 for 2024-2025.

In accordance with R.S. 39:1540, ORM identified the following key goals:

- 1 •To assure and obtain competitive pricing for insurance, including full transparency related to brokers' revenue;
- 2 •To validate and certify a global marketing effort;
- 3 •To create strong market relationships between the State and its insurers, necessary for on-going program support;
- 4 •To continue to negotiate optimal coverage terms;
- 5 •To seek multi-year contract terms and rates when possible in the market;
- 6 •To reduce dependence on wholesale brokers, thereby saving public dollars;
- 7 •To create long-term program stability;
- 8 •To improve the quality of data provided to the marketplace;
- 9 •To enhance coverage and resources for the State's fine arts assets important to Louisiana's unique culture;
- 10 •To further enhance our focus on our Higher Education institutions and address their specific needs.

ORM can report that each of these key goals were addressed in the July 1, 2024, renewals. Detailed information on the lines of insurance secured, in addition to a fiscal analysis, can be found on the following pages.

Statewide Property Insurance Program Overview

Statewide Property Coverage and Limits

Coverage (Property)	FY25 Renewal Limits	FY25 Renewal Price ²
Named Storm	\$315M	\$54,623,671.37
Flood	\$275M	Incl in above
Fire and AOP	\$800M	Incl in above
Fine Arts	\$400M	\$207,601.59
Equipment Breakdown	\$250M	\$626,627.00
Terrorism	\$150M	\$219,450.00
Total		\$55,677,349.96

Statewide Property

The State, through its Broker, continued to build upon its market relationships in order to successfully place insurance coverage effective July 1, 2024, on total property values of \$25,279,058,591.

The continued success of the State's property insurance program is partly attributable to consistent communication with the global underwriting community. Face to face meetings with both foreign and domestic, between ORM, our broker and the markets were held throughout the year. Most of the underwriters involved in the State's property insurance program have been program participants for several years. However, these discussions also included potential new market partners. Key developments regarding the July 1, 2024, coverage placements are as follows:

- The property program is led by Lloyd's of London, Beazley Syndicate. The market rate for the overall property program decreased by 5%. The total premium increased by 9.93%, due to a significant gain in Total Insured Values (TIV)³.
- The State is no longer retaining 7.5% of the program's primary \$100,000,000 layer, as it was fully subscribed by commercial insurers this year.

² Additional foreign wholesale commissions, fees and taxes may be included in the premium amount shown. These amounts are delineated in "Additional Information".

³ Desktop appraisals were performed in Fiscal Year 2024 for buildings over \$10,000,000 in value, resulting in a \$3,400,000,000 increase in TIV.

- An additional \$15,000,000 in Catastrophic (CAT) limits was secured, raising the CAT limit for flood and earthquake perils to \$275,000,000 and for Named Storms to \$315,000,000.

Overall, this is a very favorable outcome, especially considering the State's recent losses and current market conditions. Various property insurance program options were also secured, such as value increases, limits, retentions and second event options.

A combination of parametric options (insurance that pays a set amount upon the occurrence of a specific event, rather than addressing specific losses resulting therefrom) were bound again this renewal year, maintaining the coverage scope both in terms and geographic footprint. The ancillary lines' pricing and terms remained competitive. The State's property insurance program continues to be intentionally diversified to achieve balance and stability, while encompassing a broad spectrum of the global insurance marketplace. This includes the U.S. domestic markets, Lloyd's of London, London markets not associated with Lloyd's, Bermuda, Munich, treaty reinsurers, as well as participants in parametric and insurance-linked securities (ILS) programs.

Fine Arts

The stand-alone policy insuring the State's fine arts assets renewed July 1, 2024, at the expiring limit of \$400,000,000. This is written as a separate policy and is in addition to the master property policy (insuring Named Storm, Flood, Fire and AOP, as identified in chart on previous page). The definition of fine arts is relatively broad. The coverage enhancements in this policy are specific to fine arts and include a specialized adjusting team.

The Fine Arts policy is written with Lloyd's of London, and consists of a primary layer (with a \$100,000,000 policy limit) and an excess layer (with a \$300,000,000 policy limit) for a total coverage limit of \$400,000,000. The permanent collection deductible is \$2,500 for all perils with the exception of windstorm, flood, and/or hail. The windstorm, flood, and/or hail deductible is \$30,000 per location with a maximum deductible of \$250,000 per storm. Fine Art on loan or consignment has a zero deductible for all other perils, with the exception of windstorm/hurricane and/or flood. Total premium for 2024-2025 remained flat at \$207,602.

Equipment Breakdown (Boiler & Machinery)

The commercial Equipment Breakdown policy is written by XL Insurance America, Inc. The equipment breakdown peril is excluded from commercial property policies, resulting in the need for standalone coverage. Equipment breakdown insurance covers losses caused internally within a machine or piece of equipment which creates mechanical failure or electrical breakdown. Almost every type of equipment is covered, such as boilers, pressure vessels, turbines, machinery, elevators, refrigerators, escalators, security systems, air conditioning motors, HVAC systems, fire alarm systems and compressors located in buildings owned by the State, or buildings for which the State has contractually assumed legal liability. This coverage insures the damaged portion of the object for repair or replacement.

Coverage also includes business interruption losses, as well as extra expense and consequential damage losses. The policy has a coverage limit of \$250,000,000. Total premium for 2024-2025 is \$626,627, which represents an increase in premium of \$72,474 over the prior year. This is attributable to the previously mentioned increase in property values.

Terrorism

Lloyd's of London writes the terrorism policy. This policy provides sabotage and terrorism coverage for Property and Business Interruption losses, as well as for terrorism liability, and Chemical, Biological, Radiological and Nuclear (CBRN) liability coverage with respect to the Insured's operations. The policy has a coverage limit of \$150,000,000. This policy renewed for \$219,450, an increase in premium of \$10,450 over the prior year. The increase is also attributable to the previously mentioned increase in property values.

Statewide Property Insurance Program: Market Participants

Allied World Assurance Co.	Lloyd's of London (20+ syndicates)	Starr Surplus Lines Ins.Co.	AIG Specialty Insurance Co.
Canopus U.S.	Arch Specialty Insurance Co.	United Specialty Insurance Co./Velocity	National Fire and Marine Ins. Co./Berkshire
Starstone Specialty Ins. Co.	Axis Surplus Lines Insurance Co.	Ironshore Specialty Ins. Co.	Westchester Surplus Lines Ins. Co.
General Security Indemnity Co. of Arizona (SCOR)	Fireman's Fund Indemnity Corp./Allianz	Markel/Evanston Insurance Company	Endurance American Specialty Ins. Co./SOMPO
RSUI/Landmark American Insurance Co.	Munich Re/Princeton Excess and Surplus Lines Ins. Co.	Swiss Re Corporate Solutions Capacity Insurance Corp.	RPS Eagle/Falls Lake National Ins. Co. and Validus Specialty Underwriting Services Inc.

Treaty Reinsurers: MS Amlin, Nephila, Ariel, Hiscox, Markel Bermuda, Everest Re, Odyssey Re, Berkely, Arch, Waypoint, LGT Capital, Chaucer, Canopus, Lansforsakringar AB

Financial Analysis (Statewide Property Insurance Program)

Combined Limit and Pricing Comparison – Statewide Property

The overall price for the statewide property insurance coverages increased by just over \$5,000,000, with \$4,900,000 of the increase related to the Named Storm coverage. Detailed information regarding the market, total insurable value (TIV) and other contributing factors are located in the sections of this report entitled “Executive Summary” and the “Statewide Property Insurance Program Overview”.

Coverage (Property)	FY24 Expiring Limits	FY25 Renewal Limits	FY24 Expiring Price	FY25 Renewal Price ⁴	Pricing Change
Named Storm	\$300M	\$315M	\$49,686,434	\$54,623,671.37	\$4,937,238
Flood	\$260M	\$275M	Incl in above	Incl in above	Incl in above
Fire and AOP	\$800M	\$800M	Incl in above	Incl in above	Incl in above
Fine Arts	\$400M	\$400M	\$207,602	\$207,601.59	\$0
Equipment Breakdown	\$250M	\$250M	\$554,153	\$626,627.00	\$72,474
Terrorism	\$150M	\$150M	\$209,000	\$219,450.00	\$10,450
Total			\$50,657,189	\$55,677,349.96	\$5,020,160.96

⁴ Additional foreign wholesale commissions, fees and taxes may be included in the premium amount shown. These amounts are delineated in “Additional Information”.

Casualty Insurance Program Overview

Casualty Program Coverages and Limits

Coverage (Casualty)	FY25 Renewal Limits	FY25 Renewal ⁵ Price
Wet Marine Upfront Premium Continuity Credit		\$1,052,112 (\$94,424)
Hull	Replacement	Incl in above
Protection and Indemnity (P&I)	\$100M	Incl in above
Pollution	Incl in above	Incl in above
Crime (incl. employee theft) – LSED and SMG	\$500,000	\$10,958
Workers Compensation – LSED and SMG Dividend Credit	Per Statute	\$763,523 (\$510,173)
Employer's Liability – SMG and LSED	\$1M	Incl in above
Cyber Liability – OTS Managed Agencies/Higher-Ed	\$11.5M/\$11.5M & \$2M/\$11.5M Higher Ed	\$915,975
Crisis Response	\$1M/\$5M	\$69,941
Aviation Hull & Liability	\$25M Hull Scheduled Values	\$650,119
Aviation General Liability (Airport)	\$25M Liab.	\$24,323
Total		\$2,882,354

State Wet Marine Insurance Program

Hull & Machinery, Protection & Indemnity, Vessel Pollution

ORM approached the global market regarding the renewal of the State's Wet Marine Program. The Hull & Machinery renewal was favorable, as ORM maintained a flat Hull rate and the same deductibles. The physical damage portion of the placement experienced a small increase, due to a 6% increase in Total Insurable Values. The State also maintained the 20% continuity credit which was granted at inception of the program.

Liability exposures were up 40% for crew exposure at any one time, and up 38% for crew payrolls, which impacted the liability renewal on both the Protection and Indemnity (P&I) and Bumbershoot (a specialized form of excess liability/umbrella insurance for maritime risks) Liability coverages. Even with the increase in exposures, the P&I renewal was limited to a 16% increase in premium, the first layer Bumbershoot coverage (\$9,000,000 in excess of the primary) to a 5% increase, and the top layer (\$90,000,000 in excess of \$10,000,000) to a 25% increase.

The market is still seeing 5% - 15% increases on Bumbershoot Liabilities on clean accounts. Therefore, when taking exposure increases into account, this was a competitive renewal. The continuity credits on both the P&I and top

Additional foreign wholesale commissions, fees and taxes may be included in the premium amount shown. These amounts are delineated in "Additional Information".

layer Bumbershoot coverages were maintained and collected upfront. The overall program increase was 11.3% (\$957,687), while maintaining previous terms and conditions.

The Louisiana Stadium and Exposition District and SMG Operations at the Louisiana Superdome, New Orleans Arena, & Champions Square

Insurance Coverage is obtained by ORM on behalf of the Louisiana Stadium and Exposition District (LSED), and as per written contract, SMG. This coverage was marketed globally with the following results:

Crime

Coverage remained with Hiscox with a flat renewal premium of \$10,958.

Workers Compensation

Coverage remained with LWCC with a renewal premium of \$763,523, which is 11.30% greater than the expiring premium. The increase is due to a 31% increase in total payroll over last year. The loss experience modification factor decreased from .96 to .90. For FY 2024, a Dividend Credit of (\$510,173) was reported.

Cyber Liability

Insurance coverage is written for the State's Office of Technology Services (OTS) and the agencies/departments that OTS services. It also includes coverage for those State Higher Education institutions that choose to participate. As this insurance program continues and the State's information technology work becomes more uniform throughout all agencies, data collection will be undertaken and coverage may thereafter be expanded. This coverage includes the following:

- Technology/Professional Errors & Omissions
- Network Security Privacy Liability
- Data Recovery and Business interruption
- Multimedia Liability
- Privacy Regulatory Defense and Penalties
- Notification
- Cyber Extortion
- Business Income and Digital Asset Restoration

This coverage was renewed July 1, 2024, with Lloyd's of London, maintaining limits of \$11,500,000 for each and every claim, with an \$11,500,000 policy aggregate. Named Higher Education institutions are covered with a sub-limit of \$2,000,000 for each and every claim, subject to the \$11,500,000 aggregate limit. Cyber Liability insurance was renewed for a premium of \$915,975, which represents an increase of \$139,725.

Public entities have been targeted for cyber-attacks throughout the US, including Louisiana. Insurance carriers have recently paid out a significant number of high dollar cyber claims. This is especially true for public entities, most often as a result of ransomware attacks. It is noted that public sector entities insured with commercial coverage are leading the claim activity in the U.S. in terms of both frequency and severity. Renewal terms with the commercial carriers were negotiated and the State's self-insured retention remained at \$1,500,000. A 50% sublimit is applicable for OTS serviced agencies where the proximate cause is ransomware, until Multi-Factor Authentication is

implemented across all network access points. A biometric exclusion for claims arising out of any actual or alleged failure to protect biometric information applies to Louisiana Tech University, Louisiana State University Health Sciences Center - New Orleans, McNeese State University and Southeastern Louisiana University. As defined under Louisiana Revised Statute 51:3071, "*Biometric data*" means data generated by automatic measurements of an individual's biological characteristics, such as fingerprints, voice print, eye retina or iris, or other unique biological characteristic that is used by the owner or licensee to uniquely authenticate an individual's identity when the individual accesses a system or account.

Crisis Response

Crisis Response coverage was renewed July 1, 2024, with Lloyd's of London, for limits of \$1,000,000 per occurrence/\$5,000,000 policy aggregate, with a renewal premium of \$69,941, which is an increase of \$3,647 over last year's premium cost. This coverage provides on-site response services to both man-made and natural disasters that result in three or more fatalities and/or critical injuries. The policy includes the establishment of family assistance centers near the location of the incident, media support, assistance to the families of victims and to first responders, and other types of necessary resources for managing the aftermath of a crisis.

Aviation Hull & Liability

Aviation Hull and Liability coverage, written with National Union Insurance Company with a \$25 Million limit that includes passengers and hull per scheduled aircraft, renewed effective July 4, 2024, for a premium of \$650,119. This is \$7,192 less than last year's premium.

Aviation General Liability

Aviation General Liability (Airport Operations) coverage also renewed effective July 1, 2024, for an annual premium of \$24,323, which is \$1,158 more than the cost of last year's coverage. Aviation General Liability is written with National Union Insurance Company with a \$25,000,000 Each Occurrence Limit.

Internship and Professional Liability

The State's Higher Education Institutions offer student internship programs through external businesses and non-profit agencies as part of the required curriculum. Most third party providers/businesses require evidence of professional liability and general liability coverage from the higher education institution before they will allow students at their facility. The State provides casualty coverage for the institutions and its employees, but students are not covered individuals entitled to indemnification by the state under Revised Statute 13:5108.1 (See R.S. 42:1441.1). *(The one exception to this is medical malpractice liability coverage for medical students and residents provided pursuant to Louisiana Revised Statute 40:1237.1 et. seq.).*

Commercial insurance coverage was originally placed in 2018, to facilitate the operational needs of the State's higher education institutions. The coverage is negotiated to fit State requirements, with United Educators Insurance Company. Coverage has been renewed each year and was again renewed July 1, 2024, with the incumbent insurance carrier covering these experiential learning programs at the schedule of Educational System Entities. This coverage allows those scheduled Educational System Entities to meet the contractual requirements with third party internship host sites/entities. Limits remain unchanged from the prior term – \$1,000,000 per claim/\$5,000,000 policy aggregate. Certificates of insurance are provided by Gallagher to the institutions to evidence coverage for these

internship programs. This policy was renewed for an annual premium of \$186,295, which is a premium increase of \$6,674.

Focused Higher Education Program

The participation in the Student Internship Liability Coverage Program has significantly increased since its inception in 2018. We expect this trend to continue. State Higher Education Institutions continue to actively engage with other similar institutions nationwide through the University Risk Management and Insurance Association, Inc. (URMIA), a national risk management organization specific to higher education. Various resources are offered to the State's institutions through this platform.

Foreign Travel Package Policy

The Office of Risk Management, recognizing the risk exposure associated with foreign travel, purchased a master policy through Zurich American Insurance Company for employees travelling on business for the State of Louisiana. Coverages provided include: General Liability - \$1,000,000 per Occurrence/\$2,000,000 Aggregate limit; Automobile Liability - \$1,000,000 each Accident; and Voluntary International Employee Compensation and Employers Liability (worker's compensation coverage for international assignments) - \$1,000,000 each Employee per accident/\$1,000,000 each employee per disease/\$1,000,000 per disease policy aggregate. Additional coverages include Business Travel Accident and Property. The annual premium for this policy is \$3,125, which is a slight increase of \$375.

Financial Analysis (Casualty)

Combined Limit and Pricing Comparison – Statewide Casualty

The overall price for the statewide casualty insurance program increased by \$312,235. Detailed information is provided in the Executive Summary and individual coverage sections of this report.

Coverage (Casualty)	FY24 Expiring Limits	FY25 Renewal Limits	FY24 Expiring Price	FY25 Renewal ⁶ Price	Pricing Change
Wet Marine ⁷			\$860,324	\$957,688	\$97,364
Hull	Replacement	Replacement	Incl in above	Incl in above	-
Protection and Indemnity (P&I)	\$100M	\$100M	Incl in above	Incl in above	-
Pollution	Incl in above	Incl in above	Incl in above	Incl in above	-
Crime (incl. employee theft) – LSED and SMG	\$500,000	\$500,000	\$10,958	\$10,958	\$0
Workers Compensation – LSED and SMG	Statutory	Statutory	\$685,990	\$253,350 ⁸	(\$432,640)
Employer's Liability	\$1M	\$1M	Incl in above	Incl in above	-
Cyber Liability	\$11.5M/ \$11.5M & \$2M/\$11.5M Higher Ed	\$11.5M/ \$11.5M & \$2M/\$11.5M Higher Ed	\$776,250	\$915,975	\$139,725
Crisis Response	\$1M/\$5M	\$1M/\$5M	\$66,294	\$69,941	\$3,647
Aviation Hull & Liability	\$25M Hull Scheduled Values	\$25M Hull Scheduled Values	\$657,311	\$650,119	(\$7,192)
Aviation General Liability (Airport)	\$25M Liab.	\$25M Liab.	\$23,165	\$24,323	\$1,158
Total			\$3,080,292	\$2,882,354	(\$197,938)

⁶ Additional foreign wholesale commissions, fees and taxes may be included in the premium amount shown. These amounts are delineated in "Additional Information".

⁷ Includes a premium continuity credit of \$85,868 and \$94,424 for FY24 and FY25 respectively.

⁸ Includes a dividend credit of \$510,173.

ADDITIONAL INFORMATION

Reduced Dependence on Wholesale Brokers

A significant factor in the reduction of brokerage fees in 2015, through 2024, was the reduced dependence on wholesale brokers. The State saved \$3,100,000 in brokerage fees/wholesaler revenue in 2015, as Gallagher placed much of the coverage directly, rather than through the utilization of a wholesale broker.

Extrapolated across the last nine years, the savings in wholesale brokerage commission alone is nearly \$27,900,000. Domestic and international wholesale brokers are used only when access issues exist. When Gallagher does use wholesale brokers, both Gallagher and ORM are present during the presentations to ensure control of the placement. The revenues for the domestic wholesalers are included within the contract brokerage fee of \$960,000. The international wholesale brokers (London and Bermuda) received 3% - 5% wholesale commission (included in the premium), compared to the double digit wholesaler compensation in years past. Commissions for international wholesale brokers are delineated in chart on the following page. The following markets were directly placed by the broker, without wholesale broker assistance:

AWAC	Berkshire	Allianz	Canopus US
CV Starr	National Union Insurance Co.	Ironshore	Swiss Re
United Educators	AIG	Hiscox	Munich Re
LWCC	Zurich	SCOR	

Property Brokerage Fees

An RFP for Broker Services released May 16, 2023, was again awarded to Arthur J. Gallagher, the only responsive bidder. As noted previously, a three year contract was executed for a term of November 1, 2023, through October 31, 2026, and included an option to renew for two additional years, for an annual fee of \$960,000. This fee includes both property and casualty brokerage services.

Foreign Wholesale Commissions, Fees and Taxes (Statewide)

The chart on the following page provides foreign wholesale commissions, fees and taxes that are built into the premium. These charges are for coverages that were placed with wholesale broker assistance.

2024-2025 State of Louisiana Schedule of Foreign Wholesale Commissions, Fees and Taxes Included in Premiums			
Statewide Property Program:		Amount	Type
Property	Underwriters at Lloyd's - Various - Excess	\$917,840.12	Commission
Property	Falls Lake Fire and Casualty Co. and Validus Specialty Underwriting	\$500.00	Carrier Fees
Property	United Specialty Ins. Co. - Velocity - Excess	\$1,500.00	Carrier Fees
Property	Underwriters at Lloyd's - Various - AOP excl. Named Hurricane, FL, EQ	\$42,222.50	Commission
Property	Lloyd's-Named Storm Only Treaty Layer - Various Underwriters	\$235,000.00	Commission
Property	Lloyd's-Named Storm Only Treaty Layer - Various Underwriters	\$2,350.00	Fed Excise Tax
Fine Arts	Lloyd's of London	\$13,146.13	Commission
Property Sub-Total:		\$1,212,558.75	
Statewide Casualty Program:			
Cyber Liability	Lloyd's of London	\$27,479.25	Commission
Disaster Management	Lloyd's of London	\$4,196.47	Commission
Disaster Management	Lloyd's of London	\$7,343.82	Program Fee
Marine-Hull & Machinery	Lloyd's of London	\$21,401.46	Commission
Marine-XS Liabilities	Lloyd's of London	\$21,109.65	Commission
Casualty Sub-Total:		\$81,530.65	
Grand Total		\$1,294,089.40	

Standalone Placements at the Request of Specific Agencies

In addition to the Statewide Property and Casualty Programs, there were several standalone placements made at the request of various agencies. The requesting agency, coverage placed and foreign wholesale commissions, fees and taxes are detailed below:

Requesting Agency	Coverage / Liability Limit	Carrier	Policy Period	Wholesale Broker and Carrier Fees	Total Price
Louisiana State Board of Architectural Examiners	Cyber Liability/ \$1M	Lloyds of London/CFC	07/01/2024-07/01/2025	\$650.00	\$2,250.00
Jefferson Parish Human Services Authority	Cyber Liability/ \$1M	Lloyds of London/CFC	07/01/2024-07/01/2025	\$350.00	\$3,879.00
Louisiana Dept. of the Treasury	Cyber Liability/ \$1M	Lloyds of London/CFC	08/28/2024-08/28/2025	\$1,000.00	\$6,650.00
Louisiana Court of Appeal, 4th Circuit	Cyber Liability/ \$1M	Lloyds/Beazley	08/31/2024-08/31/2025	\$500.00	\$1,980.00
Louisiana Firefighters' Retirement System	Cyber Liability/ \$3M	Obsidian	09/21/2024-09/21/2025	\$550.00	\$6,930.00
New Orleans Center for Creative Arts	Cyber Liability/ \$2M	At-Bay	10/09/2024-10/09/2025	\$740.00	\$7,080.00
Louisiana School Employees Retirement System	Cyber Liability/ \$1M	Arch Specialty	12/08/2024-12/08/2025	\$1,750.00	\$16,024.00
Louisiana State Employees Retirement System	Cyber Liability/ \$3M	Arch Specialty	12/16/2024-12/16/2025	\$5,250.00	\$24,850.00
Teachers' Retirement System of Louisiana	Cyber Liability/ \$1M	Lloyds/Beazley	12/19/2024-12/19/2025	\$5,000.00	\$44,350.00
Orleans Parish Criminal District Court	Cyber Liability/ \$1M	Hiscox	01/05/2025-01/05/2026	\$253.00	\$5,956.00
Florida Parishes Human Services Authority	Cyber Liability/ \$1M	Travelers	03/26/2025-03/26/2026	-	\$8,388.00
University of Louisiana Lafayette	Inland Marine Equipment Floater/ \$200,233	Travelers	07/01/2024-07/01/2025	-	\$7,757.00
Dept. of Transportation & Development	Inland Marine/ \$2,609,249	Transguard	04/13/2025-04/13/2026	-	\$51,141.00
Louisiana Firefighters' Retirement System	Fiduciary Liability/ \$10M	Hudson	01/11/2025-01/11/2026	\$3,800.00	\$58,105.00
Teachers' Retirement System of Louisiana	Fiduciary Liability/ \$10M	Mt. Hawley	07/1/2024-07/1/2025	\$10,100.00	\$131,228.00
State Plumbing Board	Flood (National Flood Insurance Program)/ \$454,00	Wright Flood	04/14/2025-04/14/2026	-	\$761.00
Grand Total				\$29,943.00	\$377,329.00

IN SUMMARY

ORM's intent is not only to save money and significantly improve coverage terms, both of which have been accomplished, but also to take measures to create and fortify an effective property insurance program that will stand against severe storm seasons. The objective is to acquire rate protection, establish program stability and partner with insurance carriers who provide competitive options and terms.

As it stands, ORM and Gallagher expect a less chaotic 2025 marketplace with fewer capacity issues. However, updated 2023 modeling is not favorable to Louisiana. ORM is prepared to adjust the program in the upcoming fiscal years to minimize premium increases while still providing adequate coverage to protect the State's assets. Protecting the State's budget while cost effectively insuring the State's assets remains the primary focus of ORM throughout the process of every renewal.

The success of the placements from 2015 through 2024 are evidenced by the pricing and coverage terms of the State's program, and the number of markets competing for participation. The substantial monetary savings on all lines of coverage placed in the commercial market, by and for ORM, as well as securing increased limits, coverage improvements, program stability, and the cultivation of market relationships, would not have been possible under the old insurance procurement model. The enactment of R.S. 39:1540 in 2014, which allowed ORM to select a broker rather than bidding a predetermined insurance program, facilitated the beneficial results achieved in the global insurance marketplace.

For clarification, the costs and analysis shown in this report are based on actual commercial premiums paid for coverage placed for Fiscal Year 2023-2024 and Fiscal Year 2024-2025.