Louisiana Automobile Theft & Insurance Fraud Prevention Authority

Report to the Legislature

July 1, 2017-June 30, 2018

Louisiana Department of Insurance
Commissioner of Insurance James J. Donelon

Report to the Legislature Pursuant to La. R.S. 22:2135

LOUISIANA DEPARTMENT OF INSURANCE

This public document is published at a total cost of $442.02. Ten copies of this public document were published in this first printing at a cost of $11.75. The total cost of all printings of this document, including reprints, is $442.02. This document was published by the Louisiana Department of Insurance, P.O. Box 94214, Baton Rouge, LA 70804 to comply with the reporting requirement of La. R.S. 22:2135. The material was printed in accordance with standards for printing by state agencies established in La. R.S. 43:31.

LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON
COMMISSIONER

February 13, 2019

Honorable Members of the Louisiana Legislature:

The Louisiana Automobile Theft and Insurance Fraud Prevention Authority (LATIFPA) welcomes this opportunity to report its activities for the period of July 1, 2017 through June 30, 2018 pursuant to La. R.S. 22:2135.

LATIFPA, in coordination with local, state and federal agencies, works to deter automobile theft and insurance fraud. Louisiana reported 10,962 stolen vehicles in FY 2017-2018. This represents a one percent increase from 2016. Nationally, Louisiana ranks 24th in vehicle thefts per capita and 24th in total vehicle thefts.

LATIFPA continues to demonstrate great success in its efforts to reduce automobile theft and deter insurance fraud. LATIFA's efforts include the use of bait cars and license plate recognition systems, proactive law enforcement strategies, increased public education and awareness, and multi-agency cooperation.

The Vehicle Investigation Prevention Enforcement Response (VIPER) Program, a bait car program, has resulted in 329 arrests since the program's inception. During FY 2017-2018, bait vehicles were deployed a total of 398 hours, resulting in 5 activations and 9 adult arrests. As technology has shifted, the use of bait cars by law enforcement has declined. As such, the LATIFPA board voted to discontinue offering new grants for bait cars but maintain current equipment.

The License Plate Recognition (LPR) Program resulted in 163 adult arrests, recovery of 78 stolen license plates and 162 stolen vehicles worth an estimated value of $1,627,393. This year LATIFPA launched a pilot program, which placed plate readers on two university campuses. Although only in its infancy, this program has been successful.

LATIFPA Education and Outreach Programs were presented to 2,895 students and 13,150 adult individuals in civic and professional organizations throughout the state.

LATIFPA's strategic marketing campaign utilized digital, radio, and television advertising to increase public education and consumer awareness on methods of preventing automobile theft and combating insurance fraud.

LATIFPA will continue to develop and implement meaningful programs and strategies in furtherance of its commitment to reduce automobile theft and insurance fraud for the benefit of the citizens of Louisiana.

Warren Byrd, Chairman

CONTENTS

Legislative Background 1
Purpose 1
Mission Statement 2
Problem Assessment 2
Vehicle Theft 2
Insurance Fraud 2
2018 Annual Holiday Vehicle Theft Report 3
Initiatives 3
Vehicle Investigation Prevention Enforcement Response Program 4
License Plate Recognition Program 4
Education and Outreach 4
LATIFPA Related Activities Three-Year History 5
Public Awareness and Educational Campaign 6
Meetings 6
Collections 6
Expenditures 6
Board of Directors 7
Staff 7
Appendix 1 – 2017 Most Stolen Vehicles in Louisiana 8
Appendix 2 – Auto Theft Rank by State 9
Appendix 3 – 2017 Louisiana Auto Thefts by City (Population exceeds 10,000) 10
Appendix 4 – Annual Combined Average Auto Insurance Premium 11

Louisiana Automobile Theft & Insurance Fraud Prevention Authority

Annual Report to the Legislature 2017-2018

Legislative Background

La. R.S. 22:2131 *et seq.* establishes the Louisiana Automobile Theft and Insurance Fraud Prevention Authority (LATIFPA). La. R.S. 22:2134 establishes an Automobile Theft and Insurance Fraud Prevention Authority Fund within LATIFPA. This fund is the mechanism used to collect and disburse funds for the purpose of reducing motor vehicle theft and insurance fraud.

LATIFPA is governed by an 11-member board of directors, consisting of the following:

- The Commissioner of Insurance or his designee.
- The State Treasurer or his designee.
- A representative of the Louisiana State Police Insurance Fraud/Auto Theft Unit.
- The chairman of the Senate Committee on Insurance or his designee.
- The chairman of the House Committee on Insurance or his designee.
- Two members, appointed by the Attorney General, representing law enforcement officials in this state.
- Two members, appointed by the Commissioner of Insurance, representing motor vehicle insurers doing business in this state.
- Two members, appointed by the Commissioner of Insurance, representing purchasers of motor vehicle insurance.

Purpose

LATIFPA is a public agency whose purpose is to combat motor vehicle insurance fraud, including fraud by theft and other criminal acts.

In carrying out its purpose, LATIFPA may:

- Solicit and accept gifts, grants, donations, loans and other assistance from any person or entity, private or public.
- Establish programs in conjunction with other state agencies, local governing authorities and law enforcement agencies for motor vehicle theft and insurance fraud prevention, detection and enforcement.
- Make grants to state agencies, local governing authorities and law enforcement agencies for motor vehicle theft and insurance fraud prevention, detection and enforcement.
- Enter into cooperative endeavors with any public or private association, corporation or individual with similar obligations and purposes as long as all expenditures are for a public purpose and create a public benefit proportionate to the cost.

Mission Statement

To deter and reduce vehicle theft and insurance fraud through a statewide cooperative effort of generating funds to support law enforcement, public awareness, community involvement and education initiatives.

Problem Assessment

Vehicle Theft

The nature of automobile theft has changed drastically in recent years. Criminals are increasingly stealing vehicles in order to facilitate other crimes. Criminals are constantly changing their tactics in attempts to evade law enforcement.

A relatively new tactic used by auto thieves is vehicle cloning. Comparable to identity theft for automobiles, the criminal copies a legitimate vehicle identification number (VIN) from an unsuspecting vehicle owner and creates counterfeit VIN tags. The criminal then steals a vehicle similar to the one the VIN was copied from and then sells the vehicle to a third party that is unaware of the fraud being perpetrated.

Auto burglary has become more prevalent than traditional auto theft. A criminal might be interested in stealing a vehicle, but discover a vehicle door unlocked and valuable property inside and choose to take the property. While the criminal doesn't get away with as much value, this is much quicker and easier to turn into cash.

The top three most frequently stolen vehicles in Louisiana in 2017 were 1998 Honda Civic, 1997 Honda Accord Chevrolet and 2006 Ford Pickup. A list of most frequently stolen vehicles in Louisiana can be found here: https://www.nicb.org/theft_and_fraud_awareness/top-vehicles-stolen-by-state

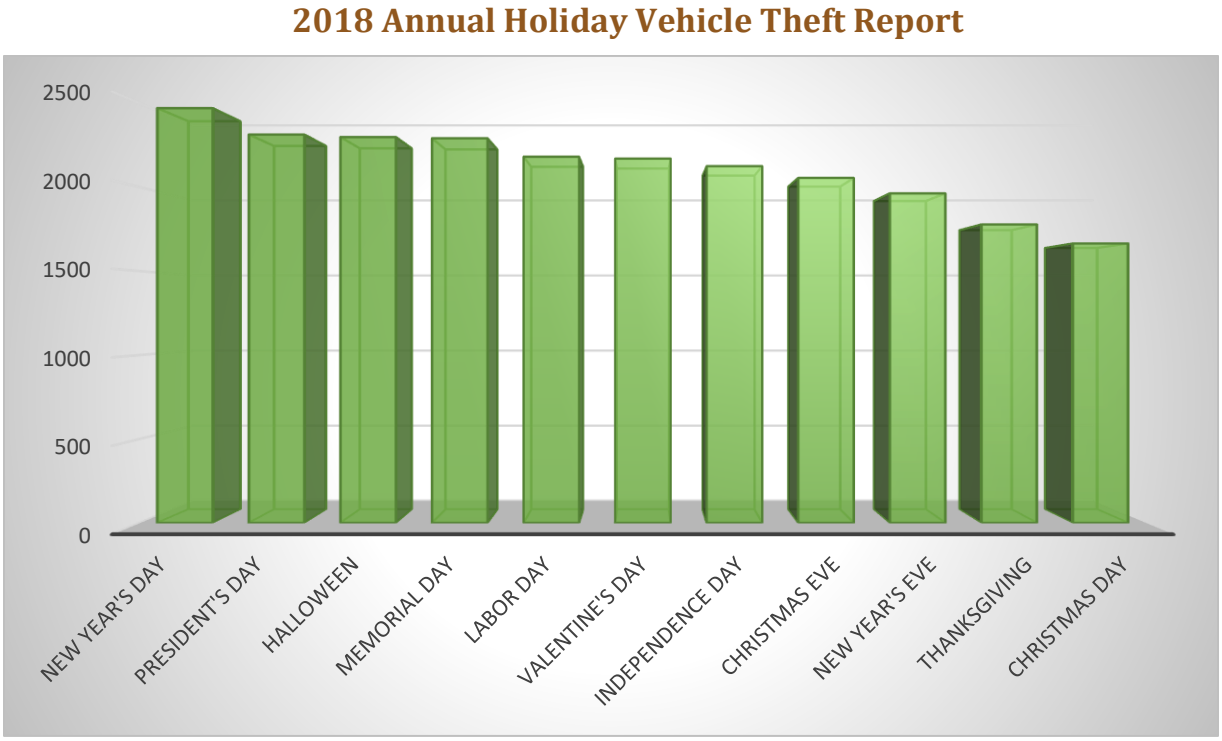
Louisiana had 10,962 reported motor vehicle thefts in 2017, which ranks 24th in the nation for auto thefts per capita with an average of 234 auto thefts per 100,000 people. A full breakdown of the state-by-state averages can be found here: https://ucr.fbi.gov/crime-in-the-u.s/2015/crime-in-the-u.s.-2015/tables/table-5

Insurance Fraud

Estimates are that insurance fraud is responsible for as much as ten to fifteen percent of the insurance industry's annual losses. Insurance fraud has been a contributing factor in Louisiana's position as one of the most expensive states for automobile premiums. In 2016, the average annual Louisiana automobile combined premium of $1,496.11 was the highest in the nation. The national average was $1,062.23.

Source: 2015/16 Auto Insurance Database Report, National Association of Insurance Commissioners https://www.naic.org/prod_serv/AUT-PB-15.pdf

The chart below demonstrates nationwide holiday theft statistics.



HTTPS://WWW.NICB.ORG/NEWS/NEWS-RELEASES/NICB-RELEASES-2018-ANNUAL-HOLIDAY-VEHICLE-THEFT-REPORT

INITIATIVES

The LATIFPA issues grants to law enforcement agencies across the state under its bait vehicle and license plate recognition programs. These grants are awarded to law enforcement agencies to promote more efficient and effective law enforcement activities in vehicle theft investigations and enforcement.

The LATIFPA education initiative, in Fiscal Year 2017-2018, included visiting schools and community outreach. This school-based program emphasizes the consequences of automobile theft and methods to prevent becoming a victim. Presentations to civic and professional organizations focus on insurance fraud and automobile theft prevention.

The LATIFPA also conducted a statewide public awareness campaign which included digital, radio, and television advertising.

During this reporting period, the LATIFPA continued its collaborative efforts with the National Insurance Crime Bureau and law enforcement authorities to combat insurance fraud and auto theft through the following initiatives.

Vehicle Investigation Prevention Enforcement Response Program

The LATIFPA began supporting local law enforcement agencies in 2006 when it introduced the Vehicle Investigation Prevention Enforcement Response (VIPER) program, a statewide bait vehicle program implemented through a Cooperative Endeavor Agreement with the National Insurance Crime Bureau. Under the program, vehicles donated by insurance companies and equipped with systems funded by the LATIFPA are granted to law enforcement agencies through an application process approved by the Louisiana Automobile Theft and Insurance Fraud Prevention Authority Board of Directors.

During this reporting period, the bait vehicle program was operational in Baton Rouge, Calcasieu, New Orleans and Ouachita. Since the program's inception, approximately 329 arrests have been made. During Fiscal Year 2017-2018, bait vehicles were deployed a total of 398 hours, resulting in 5 activations and 9 adult arrest.

There were no expenditures for the Vehicle Investigation Prevention Enforcement Response Program this fiscal year.

License Plate Recognition Program

The License Plate Recognition program is implemented through a Cooperative Endeavor Agreement with the National Insurance Crime Bureau. Under the License Plate Recognition program, grant awards of license plate recognition systems are made to Louisiana law enforcement agencies selected by application and ranked according to certain criteria including city populations of 50,000 or more.

During Fiscal Year 2017-2018, license plate readers were operational in Baton Rouge, New Orleans, Lake Charles, the Causeway Bridge, along I-49 and in Kenner. The use of license plate readers in these locations resulted in 13,006,923 reads, 163 adult arrests, the recovery of 162 stolen vehicles and 78 stolen license plates valued at $1,627,393.

Expenditures for the License Plate Recognition Program were $670.78.

Education and Outreach

The LATIFPA presents an educational program to middle and high school students and members of civic, business and professional organizations. The program educates them about the consequences of auto theft and insurance fraud and offers them tips to avoid being victims of vehicle theft and insurance fraud. The program is offered at no cost to school districts, schools or the requesting organizations.

This fiscal year, the educational curriculum was presented to 2,895 middle and high school students. The vehicle theft and insurance fraud prevention presentations were made to 13,150 individuals in various civic, business and professional organizations. The LATIFPA encourages groups to request this program through its presence as an exhibitor at expos, fairs and conferences.

Since the inception of this program, outreach on vehicle theft prevention and insurance fraud prevention has been delivered to almost 100,000 individuals.

LATIFPA Related Activities
Three-Year History

	Fiscal Year 2017-2018	*Fiscal Year 2016-2017*	*Fiscal Year 2015-2016*
VIPER (Bait Vehicle) Program			
Hours Deployed	398	2,484	5135
Adult Arrests	9	1	2
Activations	5	1	3
Expenditures	$0	$0	$0
License Plate Recognition Program			
Reads	13,006,923	1,429,388	1,220,783
Stolen Vehicles Recovered	162	81	58
Stolen License Plates Recovered	78	30	33
Adult Arrests	163	95	69
Value of Recoveries	$1,627,393	$861,838	$621,419
Expenditures	$670.78	$64,060	$20,838
Education Program			
School Awareness Program	2,895	2,846	6,425
Community Awareness Program	13,150	4,765	11,701
Total Attendees	16,045	7,611	18,126

Public Awareness and Educational Campaign

LATIFPA conducted educational and public awareness campaigns designed to inform the citizens of the state about methods of preventing motor vehicle theft and combating insurance fraud through the use of television and radio advertisements as well as through the distribution of informational brochures. The purposes of this campaign were to stimulate public awareness about the economic, social and public safety consequences of vehicle theft, encourage public participation in theft prevention and enforcement efforts, and encourage the use of fraud hotlines to report suspected vehicle theft and suspicious insurance fraud activity.

Meetings

The LATIFPA Board of Directors conducted four public meetings during this fiscal year: July 17, 2017, October 09, 2017, January 16, 2018 and April 24, 2018. All meetings were open to the public.

Collections

Pursuant to La. R.S. 22:2134, the Louisiana Automobile Theft and Insurance Fraud Prevention Authority Fund was established as a depository for all revenues received. All monies in this fund are used only to enhance insurance fraud and vehicle theft prevention efforts as determined by the Board of Directors.

All revenue derived from solicitations, grants or donations from any person or entity, private or public, or federal, state or local governments is deposited upon receipt into the Louisiana Automobile Theft and Insurance Fraud Prevention Authority Fund. All interest earned on money from the fund through investments by the state treasurer is credited to the fund.

At the beginning of Fiscal Year 2017-2018, there was a statutory dedicated fund balance of $81,716.69. In accordance with La. R.S. 40:1428, $187,000.00 in revenue was deposited in the Louisiana Automobile Theft and Insurance Fraud Prevention Authority Fund established by La. R.S. 22:2134. The interest on investments totaled $3,264. Total funds for this period were $271,980.69.

Expenditures

Expenditures from July 1, 2017, through June 30, 2018, from the fund totaled $187,196.01. The ending fund balance for this period was $84,784.68. At the beginning of the reporting period, there was a balance of $9,697.01 under the General Cooperative Endeavor Agreement between the LATIFPA and the National Insurance Crime Bureau. All administrative expenses of the LATIFPA Authority are funded with self-generated funds of the LDI.

Board of Directors

Mr. Warren Byrd, Esq.
Deputy Commissioner, Office of Property and Casualty
Department of Insurance
(Designated as Chairman by the Commissioner of Insurance)

Hon. Mike Huval
Louisiana State Representative
(Appointed by the Chairman of the House Committee on Insurance)

Mr. Donnie Ladatto
Department of the Treasury
(Designee of the Treasurer)

Lieutenant David Stelly
Louisiana State Police
(Representative of the Louisiana State Police Insurance Fraud Unit)

Mr. Don Resweber
St. Martinville, Louisiana
(Appointed by the Chairman of the Senate Committee on Insurance)

Mr. Barry Milligan
Assistant Attorney General, Department of Justice
(Appointed by the Attorney General)

Open
(Appointed by the Commissioner of Insurance)

Mr. David Marcantel
Vice President, Claims, Louisiana Farm Bureau Insurance
(Appointed by the Commissioner of Insurance)

Mr. David Clements
Clements Insurance Services
(Appointed by the Commissioner of Insurance)

Mr. Thomas Jeter
Tyner Jeter Insurance Agency, L.L.C.
(Appointed by the Commissioner of Insurance)

Mr. Kade Griffon
Assistant Attorney General, Department of Justice
(Appointed by the Attorney General)

Staff

Mrs. Darie Jordan Williams
Director
Louisiana Auto Theft and Insurance Fraud Prevention Authority
Department of Insurance

Mr. Kevin Smith, Assistant Director
Assistant Director
Louisiana Auto Theft and Insurance Fraud Prevention Authority
Department of Insurance

APPENDIX 1 – 2017 MOST STOLEN VEHICLES IN LOUISIANA

Rank	Make/Model	Year
1	Honda Civic	1998
2	Honda Accord	1997
3	Ford Pick (Full Size)	2006
4	Chevrolet Pick (Full Size)	2004
5	Toyota Camry	2017
6	Nissan Altima	2016
7	Dodge Pickup (Full Size)	2001
8	GMC Pickup (Full Size)	2017
9	Toyota Corolla	2015
10	Chevrolet Impala	2008

https://www.nicb.org/theft_and_fraud_awareness/top-vehicles-stolen-by-state

APPENDIX 2 – AUTO THEFT RANK BY STATE

2017 AUTO THEFT RANK BY STATE				2016 AUTO THEFT RANK BY STATE			
RANK	STATE/TERRITORY	THEFT RATE	TOTAL STOLEN	RANK	STATE/TERRITORY	THEFT RATE	TOTAL STOLEN
1	Alaska	575.6	4,258	1	New Mexico	564.3	11,743
2	New Mexico	563.8	11,772	2	California	450.3	176,756
3	Nevada	427.3	12,812	3	Nevada	448.3	13,180
4	California	425.9	168,391	4	Washington	443.0	32,286
5	Oregon	413.7	17,140	5	Washington D.C.	436.5	2,973
6	Colorado	389.9	21,861	6	Alaska	412.1	3,057
7	Washington	388.8	28,796	7	Hawaii	395.6	5,654
8	Washington DC	372.8	2,587	8	Colorado	354.0	16,611
9	Hawaii	369.1	5,269	9	Oregon	322.3	13,193
10	Missouri	325.9	19,921	10	Oklahoma	309.8	12,155
11	Oklahoma	311.7	12,251	11	Utah	307.7	9,388
12	Utah	307.2	9,529	12	Missouri	300.3	18,295
13	South Carolina	283.8	14,257	13	South Carolina	208.6	13,920
14	Tennessee	275.8	18,524	14	Arizona	265.8	18,421
15	Arizona	271.6	19,058	15	Montana	263.1	2,743
16	Nebraska	271.0	5,203	16	Georgia	259.9	26,801
17	Kansas	269.3	7,846	17	North Dakota	259.1	1,964
18	Alabama	263.4	12,841	18	Texas	247.8	69,056
19	Georgia	251.8	26,263	19	Nebraska	247.8	4,725
20	Montana	246.7	2,592	20	Alabama	241.1	11,723
21	Arkansas	241.4	7,253	21	Arkansas	239.4	7,155
22	Texas	240.4	68,041	22	Kansas	236.6	6,937
23	North Dakota	234.7	1,773	23	Tennessee	277.3	15,119
24	**Louisiana**	**234.0**	**10,962**	24	Kentucky	222.8	9,886
25	Indiana	231.0	15,401	25	Indiana	222.1	14,731
26	Kentucky	230.0	10,244	**26**	**Louisiana**	**220.8**	**10,339**
27	Maryland	224.2	13,568	27	Florida	209.3	43,135
28	Florida	204.5	42,914	28	Michigan	203.2	20,176
29	Connecticut	203.7	7,309	29	Connecticut	198.7	7,107
30	Michigan	196.5	19,573	30	Maryland	196.7	11,834
31	Minnesota	178.9	9,979	31	South Dakota	173.6	1,502
32	Iowa	177.4	5,579	32	Wisconsin	172.3	9,958
33	Ohio	173.7	20,253	33	Ohio	169.3	19,667
34	West Virginia	165.3	3,002	34	Delaware	159.7	1,520
35	Wisconsin	163.4	9,468	35	Iowa	159.0	4,983
36	Illinois	163.1	20,881	36	Minnesota	158.1	8,728
37	South Dakota	159.0	1,383	37	Illinois	155.5	19,910
38	Mississippi	155.2	4,631	38	Rhode Island	151.1	1,596
39	North Carolina	153.8	15,798	39	North Carolina	150.8	15,306
40	Delaware	142.3	1,369	40	Mississippi	144.7	4,324
41	Rhode Island	140.0	1,483	41	West Virginia	137.0	2,509
42	New Jersey	135.1	12,170	42	Wyoming	136.6	800
43	Wyoming	134.5	779	43	New Jersey	126.6	11,328
44	Idaho	125.0	2,146	44	Idaho	123.4	2,077
45	Virginia	120.1	10,172	45	Massachusetts	118.3	8,058
46	Massachusetts	109.9	7,540	46	Virginia	116.4	9,788
47	Puerto Rico	107.7	3,594	47	Puerto Rico	111.0	3,787
48	Pennsylvania	101.4	12,985	48	Pennsylvania	102.1	13,047
49	New Hampshire	68.1	915	49	New York	72.9	14,392
50	New York	67.6	13,410	50	New Hampshire	65.3	871
51	Maine	59.4	793	51	Maine	58.2	775
52	Vermont	31.1	194	52	Vermont	45.1	282

https://ucr.fbi.gov/crime-in-the-u.s/2017/crime-in-the-u.s.-2017/tables/table-5

APPENDIX 3 – 2017 LOUISIANA AUTO THEFTS BY CITY (POPULATION EXCEEDS 10,000)

City	Population	Motor Vehicle Thefts
Abbeville	12,491	6
Alexandria	47,860	257
Baker	13,584	12
Baton Rouge	227,403	991
Bogalusa	11865	36
Bossier City	69,632	283
Broussard	12,125	12
Covington	10,571	9
Crowley	13,026	28
De Ridder	11,116	10
Gonzales	11,012	37
Gretna	17,923	32
Hammond	20,712	79
Houma	34,083	50
Kenner	67,149	128
Lafayette	128,691	297
Lake Charles	77,647	259
Mandeville	12,503	4
Minden	12,497	8
Monroe	49,354	204
Morgan City	11,530	29
Natchitoches	18,284	25
New Orleans	397,447	2.531
Opelousas	16,504	42
Pineville	14,473	2
Ruston	22,438	13
Shreveport	193,937	884
Slidell	28,163	43
Sulphur	20,247	69
Thibodaux	14,617	21
West Monroe	12,891	49
Youngsville	13,679	2
Zachary	17,072	24

https://ucr.fbi.gov/crime-in-the-u.s/2017/crime-in-the-u.s.-2017/tables/table-8/table-8-state-pieces/table_8_offenses_known_to_law_enforcement_louisiana_by_city_2017.xls

Appendix 4 – Annual Combined Average Auto Insurance Premium

Rank	Most Expensive	Combined Average Premium
1	Louisiana	1,496.11
2	New York	1,432.37
3	New Jersey	1,424.95
4	Michigan	1,407.57
5	Washington D.C.	1,380.55
6	Rhode Island	1,364.56
7	Florida	1,338.73
8	Delaware	1,259.11
9	Texas	1,194.30
10	Connecticut	1,193.05

Rank	Least Expensive	Combined Average Premium
1	Idaho	711.18
2	Maine	734.06
3	Iowa	737.79
4	Wisconsin	767.38
5	North Dakota	773.53
6	Indiana	789.84
7	Vermont	790.37
8	South Dakota	807.37
9	Ohio	816.92
10	North Carolina	836.71

Source: *2015/2016 Auto Insurance Database Report*, National Association of Insurance Commissioners, 2018. https://www.naic.org/prod_serv/AUT-PB-15.pdf

LOUISIANA AUTOMOBILE THEFT AND INSURANCE FRAUD PREVENTION AUTHORITY
LOUISIANA DEPARTMENT OF INSURANCE
P. O. BOX 94214
BATON ROUGE, LOUISIANA 70804-9214
(225) 342-9468