Louisiana Automobile Theft & Insurance Fraud Prevention Authority

Report to the Legislature
July 1, 2015-June 30, 2016

Louisiana Department of Insurance
Commissioner of Insurance James J. Donelon

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

March 30, 2017

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, 2015 through June 30, 2016 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 9,741 stolen vehicles in calendar year 2015. This represents a one percent increase from 2014. Nationally, Louisiana ranks 23rd in vehicle thefts per capita and 24th in total vehicle thefts.

Despite the uptick in reported auto thefts statewide, LATIFPA has demonstrated 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 320 arrests since the program's inception. During FY 2015-2016, bait vehicles were deployed a total of 15,432 hours, resulting in 23 activations and 80 adult arrests. Due to the age of the cars in the bait car fleet and the cost associated with servicing the existing monitoring equipment, the LATIFPA board voted to maintain current equipment until new cars can be obtained by donation.

The License Plate Recognition (LPR) Program resulted in 72 adult arrests, recovery of 34 stolen license plates and 67 stolen vehicles worth an estimated value of $588,345.

LATIFPA Education and Outreach Programs were presented to 12,183 students and 8,628 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

Louisiana Automobile Theft & Insurance Fraud Prevention Authority
Annual Report to the Legislature 2015-2016

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 2015 were Chevrolet, Ford and GMC Pickups. 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 9,741 reported motor vehicle thefts in 2015, which ranks 23rd in the nation for auto thefts per capita with an average of 209 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 2014, the average annual Louisiana automobile combined premium of $1,364.17 was the second highest in the nation. The national average was $982.27.

Source: 2013/14 Auto Insurance Database Report, National Association of Insurance Commissioners http://www.naic.org/prod_serv/AUT-PB-13_2016.pdf

The chart below demonstrates nationwide holiday theft statistics.

2015 Annual Holiday Vehicle Theft Report
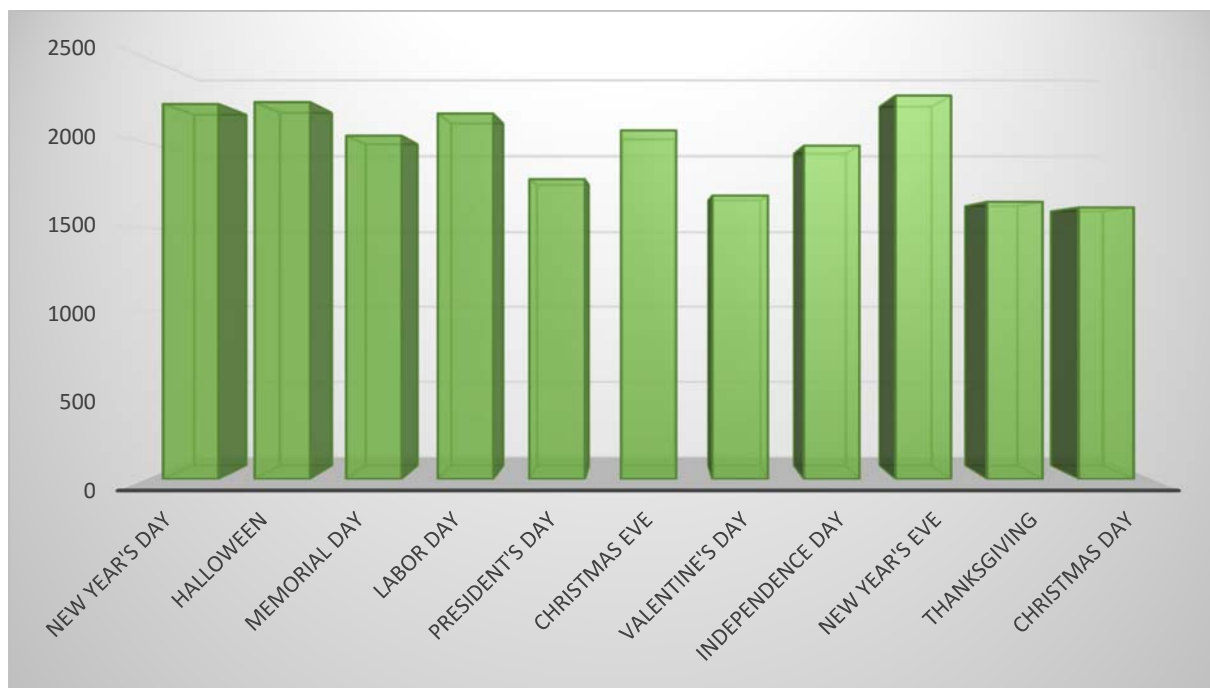
INITIATIVES

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 2015-2016, 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 320 arrests have been made. During Fiscal Year 2015-2016, bait vehicles were deployed a total of 5,135 hours, resulting in 3 activations and 2 adult arrests.

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 2015-2016, 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 1,220,783 reads, 69 adult arrests, the recovery of 58 stolen vehicles and 33 stolen license plates valued at $621,419.

Expenditures for the License Plate Recognition Program were $20,838.

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 12,183 middle and high school students. The vehicle theft and insurance fraud prevention presentations were made to 8,623 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 nearly 80,000 individuals.

LATIFPA RELATED ACTIVITIES
THREE-YEAR HISTORY

	Fiscal Year 2015-2016	*Fiscal Year 2014-2015*	*Fiscal Year 2013-2014*
VIPER (Bait Vehicle) Program			
Hours Deployed	5,135	15,432	11,359
Adult Arrests	2	80	46
Activations	3	23	26
Expenditures	$0	$0	$0
License Plate Recognition Program			
Reads	1,220,783	1,823,480	1,711,138
Stolen Vehicles Recovered	58	67	87
Stolen License Plates Recovered	33	34	41
Adult Arrests	69	72	80
Value of Recoveries	$621,419	$558,345	$552,887
Expenditures	$20,838	$17,374	$17,374
Education Program			
School Awareness Program	6,425	1,232	1,762
Community Awareness Program	11,701	13,382	11,663
TOTAL ATTENDEES	18,126	14,614	13,425

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 14, 2015, October 13, 2015, January 12, 2016 and April 18, 2016. 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 2015-2016, there was a statutory dedicated fund balance of $7,185.86. 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 $409.00. Due to budget cuts, LATIFPA received a five percent reduction to statutory dedication totaling $11,350. Total funds for this period were $188,244.86.

EXPENDITURES

Expenditures from July 1, 2015, through June 30, 2016, from the fund totaled $188,244.86. The ending fund balance for this period was $32,748.58. At the beginning of the reporting period, there was a balance of $44,595.01 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)

Mr. Cleve Franklin
Senior Special Investigator, GEICO Louisiana SIU
(Appointed by the Commissioner of Insurance)

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

Mr. Richard J. Hagey
SIU Manager SCLA, Louisiana Farm Bureau Insurance
(Appointed by the Commissioner of Insurance)

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

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

Lieutenant Jeff Watts
Louisiana State Police
(Representative of the Louisiana State Police Insurance Fraud Unit)

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

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

Mr. Jeremy Gathe
Insurance Fraud Investigator, Department of Justice
(Appointed by the Attorney General)

Mr. Thomas McCormick, Esq.
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

ACKNOWLEDGEMENTS

APPENDIX 1 – 2015 MOST STOLEN VEHICLES IN LOUISIANA

Rank	Make/Model	Year
1	Chevrolet Pickup (Full Size)	2006
2	Ford Pickup (Full Size)	2006
3	GMC Pickup (Full Size)	2006
4	Toyota Camry	2007
5	Dodge Pickup (Full Size)	2003
6	Nissan Altima	2014
7	Honda Accord	2008
8	Chevrolet Impala	2008
9	GMC Yukon	2003
10	Chevrolet Tahoe	2007

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

APPENDIX 2 – AUTO THEFT RANK BY STATE

RANK	STATE/TERRITORY	THEFT RATE	TOTAL STOLEN	RANK	STATE/TERRITORY	THEFT RATE	TOTAL STOLEN
	2014 AUTO THEFT RANK BY STATE				**2015 AUTO THEFT RANK BY STATE**		
1	Washington D.C.	574.1	3,783	1	Washington D.C.	485.1	3,264
2	Washington	434	30,647	2	California	436.8	170,993
3	California	391.3	151,852	3	New Mexico	408.9	8,526
4	Nevada	358.7	10,185	4	Hawaii	403.7	5,779
5	New Mexico	301.6	6,290	5	Nevada	392.7	11,351
6	Hawaii	273.3	3,879	6	Washington	374.7	26,867
7	Oklahoma	272.9	10,583	7	Colorado	293.2	16,000
8	Missouri	269.8	16,357	8	Utah	290.6	8,707
9	South Carolina	267	12,902	9	Missouri	279.4	16,999
10	Georgia	266	26,854	10	Alaska	277.1	2,046
11	Texas	254.3	68,546	11	Oklahoma	267.2	10,450
12	Arizona	261.3	17,587	12	South Carolina	264.9	12,970
13	Utah	248	7,298	13	Oregon	261.8	10,547
14	Oregon	240.5	9,549	14	Georgia	259.2	26,482
15	Kansas	237.8	6,906	15	Arizona	245.8	16,785
16	Nebraska	236.8	4,455	16	Texas	245.7	67,485
17	Maryland	219.2	13,102	17	Kansas	238.9	6,957
18	Alaska	209.1	10,141	18	Montana	234.1	2,418
19	Colorado	234.8	12,574	19	Maryland	218.8	13,151
20	Florida	214	42,579	20	Alabama	212.7	10,335
21	Michigan	213.5	21,157	21	Nebraska	211.0	4,001
22	**Louisiana**	**212.7**	**9,891**	22	North Dakota	209.1	1,538
23	Indiana	210.1	13,861	**23**	**Louisiana**	**208.6**	**9,741**
24	Alabama	209.1	10,141	24	Indiana	204.2	13,519
25	North Dakota	204.7	1,514	25	Florida	200.6	40,661
26	Montana	199.6	2,043	26	Tennessee	195.0	12,870
27	Tennessee	192.4	12,599	27	Arkansas	193.8	5,772
28	Arkansas	188.8	5,601	28	Wisconsin	190.3	10,985
29	Rhode Island	173.7	1,833	29	Connecticut	176.5	6,338
30	Wisconsin	172.3	9,919	30	Kentucky	175.9	7,782
31	Connecticut	169.9	6,110	31	Michigan	158.9	15,764
32	Ohio	155.4	18,015	32	Ohio	148.4	17,229
33	Minnesota	153.3	8,367	33	Minnesota	145.4	7,981
34	Mississippi	150.9	4,519	34	Mississippi	141.8	4,243
35	Kentucky	143.2	6,318	35	Iowa	139.0	4,342
36	Illinois	135.5	17,451	36	South Dakota	138.4	1,188
37	Delaware	135.4	1,267	37	Illinois	137.3	17,652
38	North Carolina	137.1	1,514	38	North Carolina	133.8	13,435
39	Iowa	133.6	4,151	39	New Jersey	131.5	11,778
40	New Jersey	131	11,705	40	Rhode Island	131.5	1,389
41	Puerto Rico	130.7	4,639	41	Delaware	124.9	1,181
42	Massachusetts	122.5	8,260	42	West Virginia	121.4	2,239
43	South Dakota	118	1,007	43	Massachusetts	118.8	8,069
44	Wyoming	103.2	603	44	Puerto Rico	117.3	4,074
45	West Virginia	102.5	1,896	45	Idaho	113.1	1,871
46	Pennsylvania	102	13,040	46	Wyoming	101.0	592
47	Idaho	101.6	1,661	47	Virginia	96.8	8,111
48	Virginia	92.1	7,665	48	Pennsylvania	94.8	12,134
49	New York	79.7	15,736	49	New York	77.4	15,313
50	New Hampshire	64.6	857	50	New Hampshire	67.0	891
51	Maine	60.1	799	51	Maine	61.2	814
52	Vermont	38.9	244	52	Vermont	28.4	178

https://ucr.fbi.gov/crime-in-the-u.s/2015/crime-in-the-u.s.-2015/tables/table-5

Appendix 3 – 2015 Louisiana Auto Thefts by City (Population exceeds 10,000)

City	Population	Motor Vehicle Thefts
Abbeville	12,495	9
Alexandria	48,305	241
Bastrop	10,773	44
Baton Rouge	228,727	494
Bogalusa	11,859	29
Bossier City	68,918	40
Broussard	10,919	12
Crowley	13,169	86
Denham Springs	10,067	4
De Ridder	10,839	1
Eunice	10,311	24
Gonzales	10,624	24
Gretna	17,871	16
Hammond	20,449	65
Houma	34,238	58
Jennings	10,133	8
Lafayette	127,273	404
Lake Charles	75,564	170
Mandeville	12,306	12
Minden	12,741	18
Monroe	49,703	126
Morgan City	11,837	9
Natchitoches	18,350	13
New Orleans	393,447	2,517
Opelousas	16,580	41
Pineville	14,401	37
Ruston	22,386	7
Shreveport	197,592	575
Slidell	27,746	38
Sulphur	20,150	46
Thibodaux	14,612	15
West Monroe	12,960	37
Zachary	16,537	25

https://ucr.fbi.gov/crime-in-the-u.s/2015/crime-in-the-u.s.-2015/tables/table-8/table-8-state-pieces/table_8_offenses_known_to_law_enforcement_louisiana_by_city_2015.xls

APPENDIX 4 – ANNUAL COMBINED AVERAGE AUTO INSURANCE PREMIUM

RANK	MOST EXPENSIVE	COMBINED AVERAGE PREMIUM
1	New Jersey	1,379.20
2	Louisiana	1,364.17
3	Michigan	1,350.58
4	New York	1,327.82
5	Washington D.C.	1,324.39
6	Rhode Island	1,257.38
7	Delaware	1,215.69
8	Florida	1,208.81
9	Connecticut	1,132.78
10	Massachusetts	1,107.76

RANK	LEAST EXPENSIVE	COMBINED AVERAGE PREMIUM
1	Idaho	673.30
2	Iowa	683.67
3	Maine	689.12
4	Wisconsin	716.83
5	Indiana	728.93
6	South Dakota	744.29
7	Vermont	746.79
8	North Dakota	768.09
9	North Carolina	768.28
10	Ohio	768.66

Source: *2013/2014 Auto Insurance Database Report*, National Association of Insurance Commissioners, 2016.
http://www.naic.org/prod_serv/AUT-PB-13_2016.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