

**NOTICE OF INTENT**

**Department of Insurance  
Office of the Commissioner**

**REGULATION 9 – Deferred Payment of Fire Premiums in  
Connection with the Term Rule  
(LAC 37:XIII.Chapter 55)**

The Department of Insurance, pursuant to the authority of the Louisiana Insurance Code, R.S. 22:1 et seq., and in accordance with the Administrative Procedure Act, R.S. 49:950, et seq., hereby gives notice of its intent to repeal Regulation 9 - Deferred Payment of Fire Premiums in Connection with the Term Rule.

The purpose of Regulation 9 is to provide for premium payment plans for fire insurance policies issued for three or five year terms. This was a standard policy term when this regulation was promulgated in 1955. The industry standard policy term is now one year. The payment plans provided for in the regulation are no longer needed. Regulation 9 is now obsolete.

**Title 37  
INSURANCE  
PART XIII. Regulations**

**Chapter 55. Regulation 9 - Deferred Payment of Fire Premiums in Connection with the  
Term Rule**

**§5501. Payment of Fire Premiums**

Repealed.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 22:2.

**HISTORICAL NOTE:** Promulgated by the Department of Insurance, Office of the Commissioner, April 4, 1955, repealed LR:

# FAMILY IMPACT STATEMENT

## Attachment to Regulation 9

### DEFERRED PAYMENT OF FIRE PREMIUMS IN CONNECTION WITH THE TERM RATE

**I. Describe the effect of the proposed regulation on the stability of the family.**

The repealed regulation should have no measurable impact upon the stability of the family.

**II. Describe the effect of the proposed regulation on the authority and rights of parents regarding the education and supervision of their children**

The repealed regulation should have no impact upon the rights and authority of children regarding the education and supervision of their children.

**III. Describe the effect of the proposed regulation on the functioning of the family.**

The repealed regulation should have no direct impact upon the functioning of the family.

**IV. Describe the effect of the proposed regulation on family earnings and budget.**

The repealed regulation should have no direct impact upon family earnings and budget.

**V. Describe the effect of the proposed regulation on the behavior and personal responsibility of children.**

The repealed regulation should have no impact upon the behavior and personal responsibility of children.

**VI. Describe the effect of the proposed regulation on the ability of the family or a local government to perform the function as contained in the rule.**

The repealed regulation should have no impact upon the ability of the family or a local governmental unit to perform the function as contained in the rule.

# POVERTY IMPACT STATEMENT

## Attachment to Regulation 9

### DEFERRED PAYMENT OF FIRE PREMIUMS IN CONNECTION WITH THE TERM RATE

**I. Describe the effect on household income, assets, and financial security.**

The repealed regulation should have no effect on household income assets and financial security.

**II. Describe the effect on early childhood development and preschool through postsecondary education development.**

The repealed regulation should have no effect on early childhood development and preschool through postsecondary education development.

**III. Describe the effect on employment and workforce development.**

The repealed regulation should have no effect on employment and workforce development.

**IV. Describe the effect on taxes and tax credits.**

The repealed regulation should have no effect on taxes and tax credits.

**V. Describe the effect on child and dependent care, housing, health care, nutrition, transportation and utilities assistance.**

The repealed regulation should have no effect on child and dependent care, housing, health care, nutrition, transportation and utilities assistance.

## SMALL BUSINESS STATEMENT

### Attachment to Regulation 9

#### DEFERRED PAYMENT OF FIRE PREMIUMS IN CONNECTION WITH THE TERM RATE

The impact of the proposed regulation on small businesses as defined in the Regulatory Flexibility Act has been considered. It is estimated that the proposed action is not expected to have a significant adverse impact on small businesses. The agency, consistent with health, safety, environmental and economic welfare factors has considered and, where possible, utilized regulatory methods in the drafting of the proposed regulation that will accomplish the objectives of applicable statutes while minimizing the adverse impact of the proposed regulation on small businesses.

**I. Identification and estimate of the number of the small businesses subject to the proposed rule.**

The repealed regulation should have no measurable impact upon small businesses.

**II. The projected reporting, record keeping, and other administrative costs required for compliance with the proposed rule, including the type of professional skills necessary for preparation of the report or record.**

The repealed regulation should have no measurable impact upon small businesses.

**III. A statement of the probable effect on impacted small businesses.**

The repealed regulation should have no measurable impact upon small businesses.

**IV. Describe any less intrusive or less costly alternative methods of achieving the purpose of the proposed rule.**

The repealed regulation should have no measurable impact on small businesses; therefore, will have no less intrusive or less cost alternative methods.

## PROVIDER IMPACT STATEMENT

### Attachment to Regulation 9

#### DEFERRED PAYMENT OF FIRE PREMIUMS IN CONNECTION WITH THE TERM RATE

- I. Describe the effect on the staffing level requirements or qualifications required to provide the same level of service.**

The repealed regulation will have no effect.

- II. The total direct and indirect effect on the cost to the provider to provide the same level of service.**

The repealed regulation will have no effect.

- III. The overall effect on the ability of the provider to provide the same level of service.**

The repealed regulation will have no effect.

## Public Comments

All interested persons are invited to submit written comments on the proposed regulation. Such comments must be received no later than January 22, 2019, by 4:30 p.m. and should be addressed to Lynette Roberson, Louisiana Department of Insurance, and may be mailed to P.O. Box 94214, Baton Rouge, LA 70804-9214, faxed to (225) 342-1632, or emailed to [lynette.roberson@ldi.la.gov](mailto:lynette.roberson@ldi.la.gov). If comments are to be shipped or hand-delivered, please deliver to Poydras Building, 1702 North 3<sup>rd</sup> Street, Baton Rouge, LA 70802.

James J. Donelon  
Commissioner of Insurance

**FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES**

<b>Person Preparing Statement:</b>	Anita R. Robert	<b>Department:</b>	Louisiana Department of Insurance
<b>Phone:</b>	(225) 219-0609	<b>Office:</b>	Management & Finance
<b>Return Address:</b>	P. O. Box 94214 Baton Rouge, LA 70804-9214	<b>Rule Title:</b>	Deferred payment of Fire Premiums
		<b>Effective Date:</b>	Upon Publication

**SUMMARY  
(Use Complete Sentences)**

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, I THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE.

**I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS. (Summary)**

The proposed rule change will not result in any additional costs or savings for state or local governmental units.

The proposed rule change repeals provisions regulating premium payment plans for fire insurance policies that were issued for three or five-year terms. However, the standard policy term is now one year, and policies are no longer issued for three or five-year terms, rendering regulations on policies with three and five-year terms obsolete.

**II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS. (Summary)**

The proposed rule change will not affect revenue collections for state or local governmental units.

**III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS. (Summary)**

The proposed rule change will not result in any costs or benefits to directly affected persons or non-governmental groups. Fire insurance policies are no longer issued for three or five-year terms, rendering regulations on policies with such terms obsolete.

**IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT. (Summary)**

The proposed rule change will not affect competition or employment.

\_\_\_\_\_  
Nicholas Lorusso, Chief Deputy Commissioner  
La. Department of Insurance

\_\_\_\_\_  
Legislative Fiscal Officer or Designee

\_\_\_\_\_  
Date of Signature

\_\_\_\_\_  
Date of Signature

**FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES**

The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriated legislative oversight subcommittee in its deliberations on the proposed rule.

- A. Provide a brief summary of the content of the rule (if proposed for adoption or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the Notice of Intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of the current and proposed rules with amended portions indicated).**

Regulation 9 was promulgated in 1955 to provide for premium payment plans for fire insurance policies issued for three to five year terms. This was the standard policy term; however, the industry standard policy term is now one year. The payment plans provided for in the regulation are no longer needed. Regulation 9 is now obsolete.

- B. Summarize the circumstances which require this action. If the action is required by federal regulations, attach a copy of the applicable regulation.**

The Department of Insurance is tasked with administering the Insurance Code, which regulates the business of insurance in all of its phases. Regulation 9 is now obsolete and is being repealed.

- C. Compliance with Act 11 of the 1986 First Extraordinary Session:**

- (1) Will the proposed rule change result in any increase in expenditure of funds? If so, specify the amount and the source.**

No increase in expenditure of funds is anticipated as a result of the repealed regulation.

- (2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?**

\_\_\_\_\_ Yes. If yes, provide documentation.

\_\_\_\_\_ No. If no, provide justification as to why this rule change should be published at this time.



**FISCAL AND ECONOMIC IMPACT STATEMENT  
WORKSHEET**

**I. A. COSTS OR SAVINGS TO STATE AGENCIES RESULTING FROM ACTION PROPOSED.**

**1. What is the anticipated increase (decrease) in costs to implement the proposed action?**

LDI does not anticipate any implementation costs (savings) as a result of the repealed regulation

<b>COSTS</b>	<b>FY 18/19</b>	<b>FY 19/20</b>	<b>FY 20/21</b>
<b>OPERATING EXPENSES</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PROFESSIONAL SERVICES</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>OTHER CHARGES</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>EQUIPMENT</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>MAJOR REPAIR/CONSTR</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>POSITIONS (Number)</b>	<b>0</b>	<b>0</b>	<b>0</b>

**2. Provide a narrative explanation of the costs or savings shown in “A.1” above, including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.**

**3. Sources of funding for implementing the proposed rule or rule change.**

<b>SOURCE</b>	<b>FY 18/19</b>	<b>FY 19/20</b>	<b>FY 20/21</b>
<b>STATE GENERAL FUND</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>AGENCY SELF-GENERATED</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>DEDICATED</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FEDERAL FUNDS</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>OTHER (SPECIFY)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>

**4. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?**

The proposed rule change will not result in any additional costs or savings for state or local governmental units.

The proposed rule change repeals provisions regulating premium payment plans for fire insurance policies that were issued for three or five-year terms. However, the standard policy term is now one year, and policies are no longer issued for three or five-year terms, rendering regulations on policies with three and five-year terms obsolete.

**B. COSTS OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THE ACTION PROPOSED.**

**1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustments in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.**

The repealed regulation will have no impact on local governmental revenues.

**2. Indicate the sources of funding of local governmental unit(s) which will be affected by these cost or savings.**

No source of funding is necessary; there is no impact on local governmental units as a result of the repealed regulation.

**FISCAL AND ECONOMIC IMPACT STATEMENT  
WORKSHEET  
(Continued)**

**II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENTAL UNITS**

**A. What increase (decrease) in revenues can be anticipated from the proposed action?**

The repealed regulation will not affect revenue collections for state or local governmental units.

<b>SOURCE</b>	<b>FY 18/19</b>	<b>FY 19/20</b>	<b>FY 20/21</b>
<b>STATE GENERAL FUND</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>AGENCY SELF-GENERATED</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>DEDICATED</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FEDERAL FUNDS</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>OTHER (SPECIFY)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>

**B. Provide a narrative explanation of each increase or decrease in revenues shown in “A”. Describe all data, assumptions and other methods used in calculating these increases or decreases.**

**III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS.**

**A. What persons or non-governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effect on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.) they may have to incur as a result of the proposed action.**

The proposed rule change will not result in any costs or benefits to directly affected persons or non-governmental groups. Fire insurance policies are no longer issued for three or five-year terms, rendering regulations on policies with such terms obsolete.

**B. Also provide an estimate and a narrative description of any impact on receipts and/or income resulting from this rule or rule change to these groups.**

**IV. EFFECTS ON COMPETITION AND EMPLOYMENT.**

**Identify and provide estimates of the impact of the proposed action on competition and employment in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.**

The proposed rule change will not affect competition or employment.