



LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON
COMMISSIONER

January 29, 2019

The Honorable John A. Alario, Jr.
President of the Senate
P.O. Box 94183
Baton Rouge, LA 70804

Via email
apa.senatepresident@legis.la.gov

The Honorable Taylor F. Barras
Speaker of the House
P.O. Box 94062
Baton Rouge, LA 70804

Via email
apa.housespeaker@legis.la.gov

The Honorable John R. Smith
Senate Committee on Insurance
P.O. Box 94183
Baton Rouge, LA 70804

Via email
apa.s-ins@legis.la.gov

The Honorable Kirk Talbot
House Committee on Insurance
P.O. Box 94062
Baton Rouge, LA 70804

Via email
apa.h-ins@legis.la.gov

RE: Rule Summary Report – Notice of Intent to Repeal Regulation 9

Dear President Alario, Speaker Barras, Senator Smith, and Representative Talbot:

The Louisiana Department of Insurance (LDI) hereby submits the following report required by La. R.S. 49:968(D)(1)(b) and announces its intention to proceed with rulemaking by finalizing the repeal of Regulation 9, as presented in the Notice of Intent (NOI) published in the Louisiana Register on December 20, 2018 (Regulation 9 – Deferred Payment of Fire Premiums in Connection with the Term Rule, Vol. 44, No.12). A copy of this report has been placed on the LDI website in accordance with R.S. 49:968(D)(1)(c).

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.

As noticed in the NOI, the public and all interested persons were provided an opportunity to submit comments to the LDI on the proposed regulation until the close of business on January 22, 2019. No comments were received.

Subject to legislative oversight, the LDI intends to submit the proposed repeal of Regulation 9 to the Office of the State Register for final publication. For your review and consideration, a copy of the NOI regarding Regulation 9, as it appeared in the Louisiana Register on December 20, 2018, is attached.

If you have any questions or need any clarification please contact Lynette Roberson, Staff Attorney with the LDI, who assisted the Commissioner in the preparation of the proposed repeal of Regulation 9. Ms. Roberson can be reached at (225) 342-4673, or electronically at lynette.roberson@ldi.la.gov.

Sincerely,



Lynette Roberson
Staff Attorney
Louisiana Department of Insurance

Attachment: Notice of Intent (Regulation 9 – Deferred Payment of Fire Premiums in Connection with the Term Rule, Vol. 44, No.12)
Fiscal and Economic Impact Statement

A copy of this report has been placed on the LDI website in accordance with R.S. 49:968(D)(1)(c).

Poverty Impact Statement

The proposed Rule should not have any known or foreseeable impact on any child, individual, or family as defined by R.S. 49:973.B

Provider Impact Statement

The proposed change should not have any known or foreseeable impact on providers as defined by HCR 170 of 2014 Regular Legislative Session.

Public Comments

Interested persons may submit written comments by January 10, 2018 at 5 p.m. to Jamie S. Doming, Licensed Professional Counselors Board of Examiners, 8631 Summa Avenue, Baton Rouge, LA 70809.

Jamie S. Doming
Executive Director

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES RULE TITLE: Telehealth

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

The proposed rules are not anticipated to result in any additional costs or savings for state or local governmental units. The proposed rules provide a framework of standards and requirements for persons licensed by the LA Licensed Professional Counselors Board of Examiners (LPC Board) to deliver teletherapy services.

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

The proposed rules may increase SGR collections for the LPC Board by an indeterminable, though likely marginal amount to the extent new persons seek licensure in Louisiana to provide teletherapy services. The LPC Board requires providers practicing teletherapy to have a Louisiana license. For reference, in-state licenses have accompanying fees of \$200 and out-of-state licenses have accompanying fees of \$300. Both licenses have biennial renewal fees of \$170. To the extent the ability to provide teletherapy services increases the number of licensed providers, the LPC Board will realize increased revenues as a result of the aforementioned fees. Because the number of additional licensees that will apply is unknown, the amount is indeterminable, though it is not anticipated that the number of additional licensees will be significant.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

The proposed rules are expected to increase revenues for continuing education providers by an indeterminable amount, as offering teletherapy course work as this will now be a requirement to those practicing teletherapy. Therefore, licensees will have to take additional continuing education courses to the extent they engage in teletherapy.

The proposed rules include provisions to register as a telehealth provider, which has an indeterminable aggregate impact on practitioners and is dependent upon if they currently have a Louisiana license. For reference, in-state licenses have accompanying fees of \$200 and out-of-state licenses have accompanying fees of \$300. Both licenses have biennial renewal fees of \$170.

The proposed rules may increase receipts for counselors, as they may be able to treat additional persons via teletherapy services. However, they will also incur indeterminable costs associated with taking required continuing education for teletherapy.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule change may increase competition among providers, as having the ability to provide teletherapy services may allow some providers to gain competitively over others.

The proposed rule change is not anticipated to affect employment.

Jamie S. Doming
Executive Director
1812#024

Gregory V. Albrecht
Chief Economist
Legislative Fiscal Officer

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 45:

Family Impact Statement

1. 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.

2. 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.

3. 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.

4. 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.

5. 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.

6. 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

1. Describe the effect on household income, assets, and financial security. The repealed regulation should have no effect on household income assets and financial security.

2. 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.

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

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

5. 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 Analysis

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.

1. 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.

2. 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.

3. A statement of the probable effect on impacted small businesses. The repealed regulation should have no measurable impact upon small businesses.

4. 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

1. 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.

2. 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.

3. 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. If comments are to be shipped or hand-delivered, please deliver to Poydras Building, 1702 North Third Street, Baton Rouge, LA 70802.

James J. Donelon
Commissioner

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES RULE TITLE: Regulation 9—Deferred Payment of Fire Premiums in Connection with the Term Rule

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT 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 NONGOVERNMENTAL 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 Lorosso
Deputy Commissioner
1812#004

Evan Brasseaux
Staff Director
Legislative Fiscal Office

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

Person Preparing Statement: Anita R. Robert
Phone: (225) 219-0609
Return Address: P. O. Box 94214
Baton Rouge, LA
70804-9214

Department: Louisiana Department of Insurance
Office: Management & Finance
Rule Title: Deferred payment of Fire Premiums
Effective Date: 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)

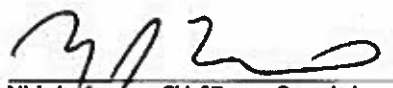
The proposed rule change will not affect revenue collections for state or local governmental units.

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

11/9/2018
Date of Signature


Evan Braxton, Legislative Fiscal Officer or Designee

11/9/18
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 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?

____ 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

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

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.

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

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.

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

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.

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.

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.

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.