

**NOTICE OF INTENT**

**Department of Insurance  
Office of the Commissioner**

**Regulation 42—Group Self-Insurance Funds  
(LAC 37:XIII.Chapter 11)**

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 amend Regulation 42—Group Self-Insurance Funds by amending the definition of “qualified actuary.”

The purpose of the amendment to Regulation 42 is to amend the definition of “qualified actuary” to be in accordance with the definition contained in the NAIC’s Property/Casualty Annual Statement Instructions.

**Title 37**

**INSURANCE**

**Part XIII. Regulations**

**Chapter 11. Regulation 42—Group Self-Insurance Funds**

**§1101. Definitions**

A. ...

\* \* \*

*Qualified Actuary*—a person who:

1. Meets the basic education, experience and continuing education requirements of the Specific Qualification Standard for Statements of Actuarial Opinion, NAIC Property and Casualty Annual Statement, as set forth in the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States (U.S. Qualifications Standards), promulgated by the American Academy of Actuaries (Academy);
2. Has obtained and maintains an Accepted Actuarial Designation; and
3. Is a member of a professional actuarial association that requires adherence to the same Code of Professional Conduct promulgated by the Academy, requires adherence to the U.S. Qualification Standards, and participates in the Actuarial Board for Counseling and Discipline when its members are practicing in the U.S.

\* \* \*

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 23:1195.

**HISTORICAL NOTE:** Promulgated by the Department of Insurance, Office of the Commissioner, LR 18:1403 (December 1992), amended LR 46:

## **FAMILY IMPACT STATEMENT**

### **Attachment to Amendment of Regulation 42**

#### **GROUP SELF-INSURANCE FUNDS**

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

The proposed amended 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 proposed amended 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 proposed amended 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 proposed amended 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 proposed amended 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 proposed amended 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 Amendment of Regulation 42**

#### **GROUP SELF-INSURANCE FUNDS**

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

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

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

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

**PROVIDER IMPACT STATEMENT**

**Attachment to Amendment of Regulation 42**

**GROUP SELF-INSURANCE FUNDS**

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

The proposed amended 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 proposed amended regulation will have no effect.

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

The proposed amended regulation will have no effect.

## SMALL BUSINESS STATEMENT

### Attachment to Amendment of Regulation 42

#### GROUP SELF-INSURANCE FUNDS

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 proposed amended 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 proposed amended regulation should have no measurable impact upon small businesses.

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

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

### **Public Comments**

All interested persons are invited to submit written comments on the proposed rule. Such comments must be received no later than November 20, 2020, by 4:30 p.m. and should be addressed to Lisa Henson, Louisiana Department of Insurance, and may be mailed to P.O. Box 94214, Baton Rouge, LA 70804-9214, or emailed to [lisa.henson@ldi.la.gov](mailto:lisa.henson@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

Person Preparing Statement:	Anita R. Robert (225) 219-0609	Department:	Louisiana Department of Insurance
Phone:		Office:	Management & Finance
Return Address:	P. O. Box 94214 Baton Rouge, LA 70804-9214	Rule Title:	Group Self Insurance Funds
		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 additional costs or savings for state or local governmental units. The purpose of the amendment to Regulation 42 is to amend the definition of "qualified actuary" to be in accordance with the definition contained in the NAIC's Property/Casualty Annual Statement Instructions. This was presented to the LDI in the annual Property and Casualty Statement by the NAIC. Actuarial reviews, if required, for Group Self Insurance Fund are due annually with the annual financial statement.

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

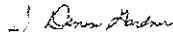
The proposed rule change will not affect revenue collections for state or local governmental units.

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

There are no estimated costs and/or economic benefits to directly affected persons or non-governmental groups as a result of the proposed rule change. The proposed revisions align with the current NAIC Property and Casualty Annual Statement Instructions. It is to ensure the annual actuary reviews are submitted with the appropriate guidelines.

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

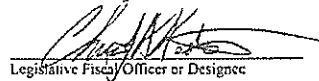
The proposed rule change will not affect competition or employment.



Denise Gardner, Chief of Staff  
La. Department of Insurance

9/9/20

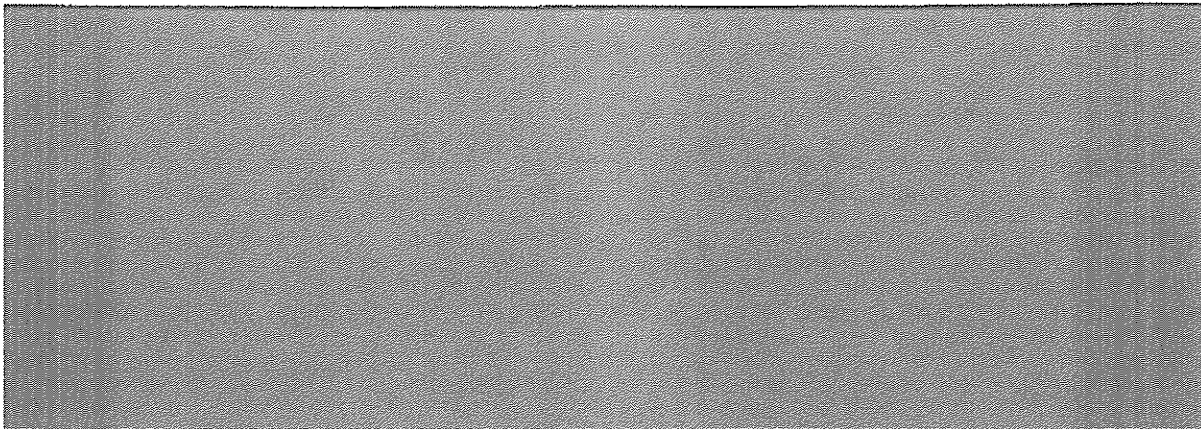
Date of Signature



Legislative Fiscal Officer or Designee

9/9/20

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).

Every property and casualty insurance company doing business in Louisiana, unless otherwise exempted by the commissioner, shall annually submit the opinion of a qualified actuary appointed by the company entitled "statement of actuarial opinion." This opinion shall be filed in accordance with the appropriate NAIC Property and Casualty Annual Statement Instructions. The purpose of amending Regulation 42 is to amend the definition of "qualified actuary" to be in accordance with the definition contained in the NAIC's Property/Casualty Annual Statement Instructions.

Actuaries' reviews, if required, for Group Self Insurance Fund are due annually with the annual financial statement.

- 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. The proposed amendment to Regulation 42 is promulgated to update the definition of "qualified actuary" to be in accordance with the definition contained in the NAIC's Property and Casualty Annual Statement Instructions.

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

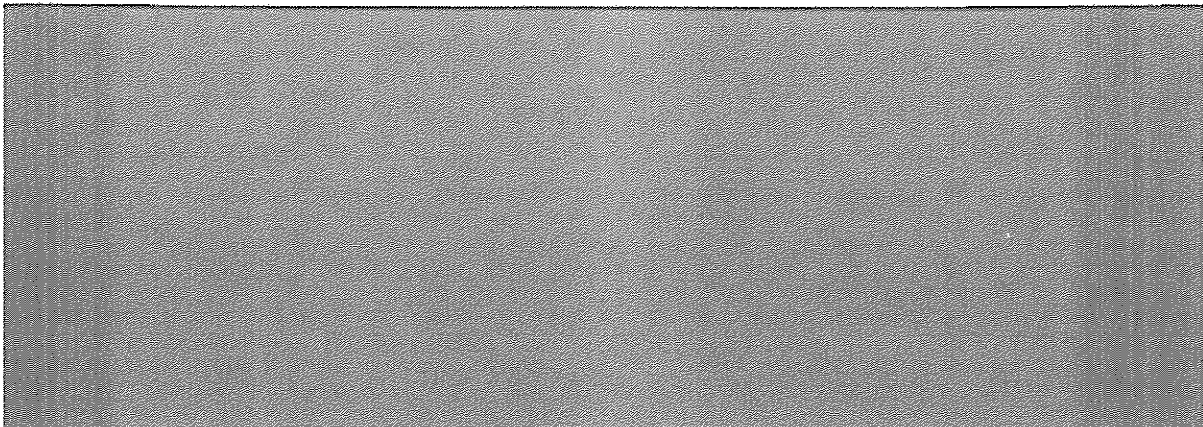
- (1) Will the proposed rule change result in any increase in expenditure of funds? If so, specify the amount and the source.

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

COSTS	FY 20/21	FY 21/22	FY 22/23
OPERATING EXPENSES	0	0	0
PROFESSIONAL SERVICES	0	0	0
OTHER CHARGES	0	0	0
EQUIPMENT	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>
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.**

The proposed rule change will not result in additional costs or savings for state or local governmental units. The purpose of the amendment to Regulation 42 is to amend the definition of "qualified actuary" to be in accordance with the definition contained in the NAIC's Property-Casualty Annual Statement Instructions. This was presented to the LDI in the annual Property and Casualty Statement by the NAIC Actuarial reviews, if required, for Group Self-Insurance Fund are due annually with the annual financial statement.

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

SOURCE	FY 20/21	FY 21/22	FY 22/23
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
<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?**

No additional funding is necessary to implement the proposed regulation

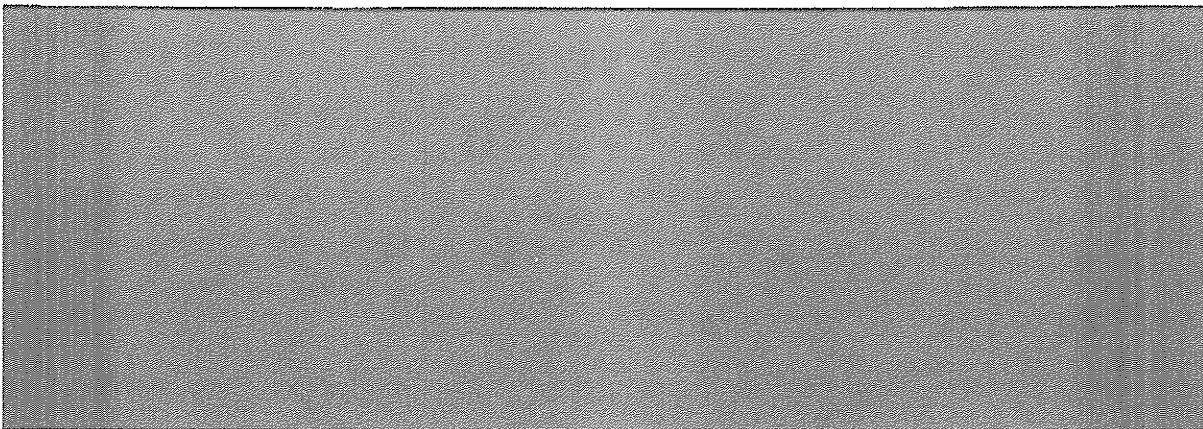
**B. COSTS OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THE ACTION PROPOSED.**

**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 proposed 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 proposed 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 proposed regulation will not affect revenue collections for state or local governmental units

SOURCE	FY 20/21	FY 21/22	FY 22/23
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.**

There are no estimated costs and/or economic benefits to directly affected persons or non-governmental groups as a result of the proposed rule change. The proposed revisions aligns with the current NAJC Property and Casualty Annual Statement Instructions. It is to ensure the annual actuary reviews are submitted with the appropriate guidelines.

**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

