



LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON

COMMISSIONER

December 8, 2023

The Honorable Patrick Page Cortez  
President of the Senate  
P.O. Box 94183  
Baton Rouge, LA 70804

Via email  
[apa.senatepresident@legis.la.gov](mailto:apa.senatepresident@legis.la.gov)

The Honorable Clay Schexnayder  
Speaker of the House  
P.O. Box 94062  
Baton Rouge, LA 70804

Via email  
[apa.housespeaker@legis.la.gov](mailto:apa.housespeaker@legis.la.gov)

The Honorable Kirk Talbot  
Senate Committee on Insurance  
P.O. Box 94183  
Baton Rouge, LA 70804

Via email  
[apa.s-ins@legis.la.gov](mailto:apa.s-ins@legis.la.gov)

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

Via email  
[apa.h-ins@legis.la.gov](mailto:apa.h-ins@legis.la.gov)

RE: Notice of Intent to Amend Regulation 104 - Corporate Governance Annual Disclosure

Dear President Cortez, Speaker Schexnayder, Senator Talbot, and Representative Huval:

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., gives notice of its intent to amend Regulation 104 - Corporate Governance Annual Disclosure. The purpose of the amendment to Regulation 104 is to add a definition of "Insurance Group" and to correct typographical errors and statutory references.

If you have any questions or need any clarification, please contact Jennifer T. Land, Staff Attorney with the Louisiana Department of Insurance, who assisted the Commissioner in the preparation of Regulation 104. Ms. Land can be reached at (225) 342-6621, or electronically at [Jennifer.Land@ldi.la.gov](mailto:Jennifer.Land@ldi.la.gov).

Enclosure: Notice of Intent to Amend Regulation 104 - Corporate Governance Annual Disclosure

## NOTICE OF INTENT

### Department of Insurance Office of the Commissioner

#### Regulation 104—Corporate Governance Annual Disclosure (LAC 37:XIII.Chapter 20)

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 104.

The purpose of the amendment to Regulation 104 is to add a definition of “Insurance Group” and to correct typographical errors and statutory references.

#### **§201. Purpose**

A. The purpose of this regulation is to set forth rules and procedural requirements which the commissioner deems necessary to carry out the provisions of R.S. 22:691.51-691.58 of the Insurance Code. The information called for by this regulation is hereby declared to be necessary and appropriate in the public interest and for the protection of the policyholders in this state.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11 and 22:691.51-691.58.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Commissioner of Insurance, LR 41:2663 (December 2015), amended LR

#### **§203. Definitions**

*Commissioner*-commissioner of insurance for the state of Louisiana.

*Corporate Governance Annual Disclosure or CGAD*-a confidential report filed by the insurer or insurance group compiled in accordance with the requirements of R.S. 22:691.51-691.58 and Regulation 104.

*Insurance Group*-those insurers and affiliates included within an insurance holding company system as defined in La. R.S. 22:691.2(8).

*Insurer*-shall have the same meaning as set forth in R.S. 22:46(14). For the purposes of this Subpart, a health maintenance organization as defined R.S. 22:242(6) shall also be considered an insurer. The term “insurer” shall not include agencies, authorities, or instrumentalities of the United States, its possessions and territories, the Commonwealth of Puerto Rico, the District of Columbia, or a state or political subdivision of a state.

*Senior Management*-any corporate officer responsible for reporting information to the board of directors at regular intervals or providing this information to shareholders or regulators and shall include, for example and without limitation, the chief executive officer (“CEO”), chief financial officer (“CFO”), chief operations officer (“COO”), chief procurement officer (“CPO”), Chief Legal Officer (“CFO”), chief information officer (“CIO”), chief technology officer (“CTO”), chief revenue officer (“CRO”), chief visionary officer (“CVO”), or any other “C” level executive.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11 and 22:691.51-691.58.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Commissioner of Insurance, LR 41:2663 (December 2015), amended LR

#### **§205. Filing Procedures**

A. An insurer, or the insurance group of which the insurer is a member, required to file a CGAD by R.S. 22:691.53

shall, no later than June 1 of each calendar year, submit to the commission a CGAD that contains the information described in §207 of this regulation.

B.- D. ...

E. Notwithstanding Subsection A of this Section, and as outlined in R.S. 22:691.53, if the CGAD is completed at the insurance group level, then it shall be filed with the lead state of the group as determined by the procedures outlined in the most recent Financial Analysis Handbook adopted by the NAIC. In these instances, a copy of the CGAD shall also be provided to the chief regulatory official of any state in which the insurance group has a domestic insurer, upon request.

F. – G. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11 and 22:691.51-691.58.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Commissioner of Insurance, LR 41:2663 (December 2015), amended LR

#### **§207. Contents of Corporate Governance Annual Disclosure**

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AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11 and 22:691.51-691.58.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Commissioner of Insurance, LR 41:2663 (December 2015), amended LR

#### **§209. Severability Clause**

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AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11 and 22:691.51-691.58.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Commissioner of Insurance, LR 41:2663 (December 2015), amended LR

### **Family Impact Statement**

1. Describe the Effect of the Proposed Regulation on the Stability of the Family. The proposed 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 proposed 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 proposed 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 proposed 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 proposed regulation should have no impact upon the behavior and personal responsibility of children.

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

4. Describe the Effect on Taxes and Tax Credits. The proposed 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 proposed 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 proposed 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 proposed regulation should have no measurable impact upon small businesses.

3. A Statement of the Probable Effect on Impacted Small Businesses. The proposed 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 proposed 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 proposed 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 proposed regulation will have no effect.

3. The Overall Effect on the Ability of the Provider to Provide the Same Level of Service. The proposed regulation will have no effect.

### **Public Comments**

Interested persons who wish to make comments may do so by writing to Jennifer Land, Staff Attorney, Louisiana Department of Insurance, P.O. Box 94214, Baton Rouge, LA 70804-9214, by faxing comments to (225) 342-1632,

or electronically at [regulations@ldi.la.gov](mailto:regulations@ldi.la.gov). Comments will be accepted through the close of business, 4:30 p.m., January 10, 2024.

James J. Donelon  
Commissioner

### **Fiscal and Economic Impact Statement**

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

The proposed amended rule is not anticipated to result in implementation costs or savings to the state or local governmental units. The proposed rule is being amended to add a definition of “Insurance Group” and to correct typographical errors and statutory references.

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

The proposed rule changes will have no impact on state or local governmental revenues.

3. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NON-GOVERNMENTAL GROUPS. (Summary)

The proposed amended rule will have no costs and/or economic benefits to directly affected persons, small businesses, or non-governmental groups.

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

The proposed rule changes will have no impact upon competition and employment in the state.