

commissioner determines that an extension of time is warranted.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2, 22:11, 22:18, 22:2191, et seq., and the Administrative Procedure Act, R.S. 49:950, et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 48:1105 (April 2022).

§18113. Notice of Regulatory Action

A. If the licensee fails to demonstrate compliance with all lawful requirements of Title 22 for retention of the license to the satisfaction of the commissioner within 20 calendar days of the mailing or personal service of the notice of wrongful conduct, or within any extension of time approved by the commissioner, a notice of regulatory action may be issued. The notice shall be in writing and issued via mail or by personal delivery to the last known address or principal place of business identified in the department's database for the licensee. The revocation, suspension, annulment, or withdrawal of a license shall take effect 10 calendar days from the date of issuance of the notice of regulatory action, unless otherwise provided in Title 22. The licensee shall have the right to timely demand an administrative hearing to contest the notice of regulatory action in accordance with R.S. 22:2191, et seq.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2, 22:11, 22:18, 22:2191, et seq., and the Administrative Procedure Act, R.S. 49:950, et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 48:1105 (April 2022).

§18115. Notice of Summary Suspension or Order

A. Notwithstanding any other provision of this regulation, if the commissioner finds that the public health, safety, or welfare of Louisiana citizens imperatively requires emergency action, the commissioner may issue a notice of summary suspension or order to the licensee, setting forth the basis for such a finding. The notice of summary suspension or order shall be in writing, mailed or delivered personally to the licensee at the last known address or principal place of business identified in the department's database for the licensee, and it may be issued while agency proceedings for license revocation or other adverse actions authorized by R.S. 49:961(C) are pending, unless otherwise provided in Title 22. The licensee shall have the right to timely demand an administrative hearing to contest the notice of summary suspension or order in accordance with R.S. 22:2191, et seq.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2, 22:11, 22:18, 22:2191, et seq., and the Administrative Procedure Act, R.S. 49:950, et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 48:1106 (April 2022).

§18117. Stay of Action

A. A demand for an administrative hearing shall not operate as an automatic stay of any order issued by the commissioner or any action taken or proposed to be taken by the commissioner unless such relief is granted by the Division of Administrative Law pursuant to R.S. 22:2204

and the Administrative Procedure Act, R.S. 49:950, or as otherwise provided in Title 22. All demands for hearing and requests for a stay of action shall be filed in accordance with Chapter 12 of the Louisiana Insurance Code, R.S. 22:2191, et seq. and held in accordance with the Administrative Procedure Act, R.S. 49:950, et seq.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2, 22:11, 22:18, 22:2204, and the Administrative Procedure Act, R.S. 49:950, et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 48:1106 (April 2022).

§18119. Effective Date

A. This regulation shall become effective upon final publication in the *Louisiana Register*.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2, 22:11, 22:18, 22:2191, et seq., and the Administrative Procedure Act, R.S. 49:950, et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 48:1106 (April 2022).

Chapter 182. Regulation Number 126—Louisiana Fortify Homes Program

§18201. Purpose

A. The purpose of Regulation 126 is to set forth rules and requirements governing the administration of the Louisiana Fortify Homes Program (LFHP) and eligibility criteria for LFHP grants in accordance with Act No. 554 of the 2022 Regular Session.

B. The purpose of the amendment to Regulation 126 is to provide additional clarification with respect to the administration of the LFHP in accordance with Act No. 554 of the 2022 Regular Session.

AUTHORITY NOTE: Promulgated in accordance with R.S.22:11 and R.S. 22:1483.1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 49:698 (April 2023), amended LR 50:1499 (October 2024).

§18202. Definitions

A. As used in Regulation 126, the following terms shall have the meanings herein specified.

1. *Commissioner*—the Louisiana Commissioner of Insurance.

2. *FORTIFIED*—a program of IBHS.

3. *FORTIFIED Home Evaluator*—an independent, third party who has completed the FORTIFIED training requirements and is certified by the Insurance Institute for Business and Home Safety (IBHS) as a home evaluator who can verify that a home meets the FORTIFIED roof standard. Homeowners can find a list of certified home evaluators at www.ildi.la.gov/fortifyhomes.

4. *Good Cause*—sufficient and verifiable grounds for waiving a requirement in the grant application process.

5. *Insurance Institute for Business and Home Safety (IBHS)*—a non-profit research and communications organization of the property and casualty insurance industry that defines the FORTIFIED roof standard for homes, information for which can be found at www.fortifiedhome.org.

6. *Lottery Process*—the random process by which an applicant is selected for the LFHP.

7. *Louisiana Fortify Homes Program (LFHP)*—a program, enacted by Act No. 554 of the 2022 Regular Session, administered by the commissioner, to make financial grants to retrofit roofs of insured property, as defined in R.S. 22:1483(C)(9), with a homestead exemption utilizing construction techniques demonstrated to reduce losses caused by a hurricane, tornado, or other catastrophic windstorm event and that meet or exceed the IBHS FORTIFIED roof standard, information for which can be found at www.lda.la.gov/fortifyhomes.

8. *National Flood Insurance Program (NFIP)*—a federal program enacted by the National Flood Insurance Act of 1968 (Title XIII of P.L. 90-448, as amended, 42 U.S.C. §§4001, et seq.) to provide greater access to primary flood insurance, mitigate flood risks, and reduce federal expenditures pertaining to flood-related disaster assistance. As part of its efforts to minimize flood damage and reduce repair costs, the NFIP designates flood zones and flood maps, which illustrate a community's flood risks. Additional information regarding the NFIP or flood zones and maps can be found at www.floodsmart.gov.

9. *Special Flood Hazard Area (SFHA)*—an area having special flood, mudflow, or flood-related erosion hazards on a Flood Hazard Boundary Map or a Flood Insurance Rate Map as shown on the Federal Emergency Management Agency's website. The SFHA is the area where the NFIP's floodplain management regulations must be enforced and the area where the mandatory purchase of flood insurance applies.

AUTHORITY NOTE: Promulgated in accordance with R.S.22:11 and R.S. 22:1483.1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 49:699 (April 2023), amended LR 50:1499 (October 2024).

§18203. Contractor Eligibility Requirements and Conflicts of Interest

A. Contractor Eligibility Requirements. To be eligible to work as a LFHP contractor (LFHP-approved contractor), the contractor must meet all of the following program requirements:

1. submit and maintain a current copy of all certificates, licenses, and proof of insurance coverages with the LFHP;

2. hold a valid residential license or home improvement registration issued by the Louisiana State Licensing Board for Contractors (LSLBC) and must be in good standing with the LSLBC;

3. hold any other valid state or jurisdictional business licenses or work permits required by law in Louisiana;

4. maintain a general liability policy with \$1,000,000 in liability coverage;

5. maintain a workers' compensation policy in compliance with Louisiana law;

6. provide a FORTIFIED certification issued by the IBHS or its successor;

7. be listed on the IBHS Directory as an approved contractor at www.fortifiedproviders.com;

8. comply with all regulatory and tax laws regulating businesses in the state of Louisiana;

9. maintain internet access and have a valid, active email address on file with the LFHP for communication with the LFHP;

10. avoid conflicts of interest in any work performed on projects funded by LFHP grants; and

11. agree to follow the LFHP procedures and rules as established by the commissioner.

B. Contractor Conflicts of Interest

1. LFHP-approved contractors may not possess a financial interest in any project for which they perform work toward a FORTIFIED designation other than for payment on behalf of the homeowner by the LFHP.

2. LFHP-approved contractors cannot be the home evaluator for a FORTIFIED designation on any project funded by LFHP grants.

3. The LFHP-approved contractor is responsible for reporting to the LFHP any potential conflicts of interest before work commences on any job funded by LFHP grants.

C. The LFHP may remove a contractor from the list of LFHP-approved contractors at any time upon a finding that the contractor failed to meet any of the program requirements listed in Regulation 126.

AUTHORITY NOTE: Promulgated in accordance with R.S.22:11 and R.S. 22:1483.1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 49:699 (April 2023), amended LR 50:1499 (October 2024).

§18204. Home Evaluator Eligibility Requirements and Conflicts of Interest

A. Home Evaluator Eligibility Requirements. To be eligible to work on the LFHP, a home evaluator must meet all of the following program requirements:

1. submit and maintain a copy of all current program certificates with the LFHP;

2. be in good standing with the IBHS and maintain an active certification as a FORTIFIED home evaluator, issued by the IBHS or its successor;

3. possess all necessary business licenses to perform the work required;

4. comply with all regulatory and tax laws regulating businesses in the state of Louisiana; and

5. avoid conflicts of interest in any work performed on projects funded by LFHP grants.

B. Home Evaluator Conflicts of Interest

1. Home evaluators may not possess a financial interest in any project for which they inspect for FORTIFIED designation purposes in connection with the LFHP.

2. Home evaluators cannot be contractors or suppliers of any materials, products, or systems installed in any home they inspect for FORTIFIED designation purposes for the LFHP.

3. Home evaluators cannot be a sales agent for any home being designated for the LFHP program.

4. Home evaluators have a duty to inform the LFHP of any potential conflicts of interest before commencing inspections on any job funded by LFHP grants.

C. The LFHP may remove a home evaluator from the list of eligible certified evaluators at any time upon a finding that the home evaluator failed to meet any of the program requirements listed in Regulation 126.

AUTHORITY NOTE: Promulgated in accordance with R.S.22:11 and R.S. 22:1483.1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 49:699 (April 2023), amended LR 50:1500 (October 2024).

§18205. LFHP Grants

A. Grant Eligibility. To be eligible for a LFHP grant, an applicant must meet the following requirements:

1. The home must be a residence with a homestead exemption that is not a condominium or mobile home.

2. The home must be in good repair unless damaged by a hurricane, non-hurricane wind, or hail.

3. The homeowner, with the assistance of an LFHP-approved contractor and home evaluator, must fortify the home's roof to meet or exceed the IBHS FORTIFIED roof standard.

4. The homeowner must provide the LFHP proof of a wind insurance policy on the home. Additionally, if the home is in a designated SFHA, the homeowner must provide the LFHP proof of a flood insurance policy on the home.

5. The homeowner must obtain and pay for all permits required by law or ordinance for the construction.

6. The homeowner must arrange and pay for inspections required by law or ordinance and the terms of the grant, which shall include inspection pursuant to R.S. 22:1483(C)(3).

7. The work must comply with applicable building codes.

8. Unless granted an extension by the commissioner, the LFHP project must be completed within 90 days from the date of the notification issued by the commissioner that the applicant is eligible to proceed with the grant process. Notice will be delivered to the applicant through electronic means. Failure to timely complete the LFHP project may result in a forfeiture of the grant.

9. The commissioner may grant a homeowner an extension of time to complete the LFHP project if an extension is timely requested in writing and the homeowner provides sufficient proof that extenuating circumstances caused or will likely cause delays in the completion of the LFHP. Whether to grant or deny a request for an extension of time shall be subject to the commissioner's sole discretion.

B. Grant Application Process

1. To apply for an LFHP grant, a homeowner must complete and submit an online grant application to the LFHP. The online grant application portal will be accessible via www.lldi.la.gov/fortifyhomes.

2. Unless otherwise notified by the commissioner, the homeowner will be responsible for paying for a certified home evaluator of the homeowner's choice to provide an IBHS home review evaluation on the home seeking to be fortified. A list of certified home evaluators can be found at www.lldi.la.gov/fortifyhomes.

3. The home evaluator shall determine whether the home meets a minimum structural standard on a pass-or-fail basis before identifying all improvements required to meet the IBHS FORTIFIED roof standard. Thereafter, the home evaluator shall submit a report to the LFHP for approval.

4. The homeowner must access the LFHP online application portal and obtain bids from not less than three LFHP-approved contractors of their choice to improve the home to meet the IBHS FORTIFIED roof standard. The commissioner may waive the minimum number of bids required for the application to reflect the number of contractors available in the area or for other good cause shown. A list of eligible contractors can be found at www.lldi.la.gov/fortifyhomes.

C. Awarding of Grants. The LFHP will award grants through a lottery process, subject to the availability of funding. The LFHP will review all applications for completeness and perform appropriate audits to verify the accuracy of the information in the application and whether the applicant meets the eligibility criteria. Applicants will have 30 days from selection in the lottery process to provide information to verify eligibility. LFHP-approved contractors may not begin work on a home until selected by the applicant and the bid process is complete. The LFHP may extend the time for review and approval of applications as it deems necessary. The LFHP will notify an applicant if the time for review and approval of the application has been extended.

D. Maximum Grant Award. The amount of a grant award shall be equivalent to the actual cost of retrofitting the roof to comply with the IBHS FORTIFIED roof standard, not to

exceed \$10,000. The commissioner may periodically update the amount of the grant award.

E. Release of Funds. Grant funds will only be released on behalf of an approved applicant once an IBHS FORTIFIED certificate has been issued for the home. Funds will be paid by the LFHP, on behalf of the homeowner, directly to the contractor who performed the work to fortify the roof.

F. Grant Award Process

1. Once the LFHP approves the grant application, the homeowner may contract with an LFHP-approved contractor to fortify the home. Once the LFHP-approved contractor completes the fortification work on the home, they must submit a copy of the signed contract to the LFHP with a final invoice. The final invoice must include written verification that the work was completed to the FORTIFIED roof standard and that the total invoiced amount does not include any costs or fees incurred by the contractor for those items identified in R.S. 22:1483.1(B).

2. The home evaluator will perform all required evaluations to confirm that the LFHP-approved contractor completed the work according to the IBHS FORTIFIED roof standard. The IBHS will review the evaluation and determine whether to issue a FORTIFIED designation, which is a written certificate that the home meets the FORTIFIED roof standard.

3. The LFHP will pay the LFHP-approved contractor's costs covered by the grant, and the homeowner shall pay the remaining costs to the LFHP-approved contractor.

4. The LFHP reserves the right to conduct random inspections.

5. To timely manage the processing of grant applications or to meet funding limitations, the LFHP may establish specific periods when it will accept grant applications.

G. The commissioner may create pilot projects as needed to establish a sustainable distribution system of the program in any geographic area within the State of Louisiana.

H. Coordination with Other Funding Sources

1. Applicants shall report any funds received or anticipated from insurance, disaster relief, or other sources to ensure that the grant only covers actual costs.

2. Insurers shall not reduce settlement payments based on the payment of an LFHP grant.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11 and R.S. 22:1483.1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 49:700 (April 2023), amended LR 50:1500 (October 2024).

§18206. Severability

A. If any rule or portion of a rule or its applicability to any person or circumstance is held invalid by any court, the

remainder of this Chapter or the applicability of the provision to other persons or circumstances shall not be affected.

AUTHORITY NOTE: Promulgated in accordance with R.S.22:11 and R.S. 22:1483.1(A).

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 49:701 (April 2023).

§18207. Effective Date

A. Regulation 126, as amended, shall be effective upon final publication in the *Louisiana Register*.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11 and R.S. 22:1483.1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 50:1501 (October 2024).

Chapter 183. Regulation Number 121—Term and Universal Life Insurance Reserve Financing

§18301. Purpose

A. The purpose of this regulation is to set forth rules and procedural requirements to establish uniform, national standards governing reserve financing arrangements pertaining to life insurance policies containing guaranteed nonlevel gross premiums, guaranteed nonlevel benefits and universal life insurance policies with secondary guarantees and to ensure that, with respect to each such financing arrangement, funds consisting of primary security and other security, as defined in §18305, are held by or on behalf of ceding insurers in the forms and amounts required herein. In general, reinsurance ceded for reserve financing purposes has one or more of the following characteristics: some or all of the assets used to secure the reinsurance treaty or to capitalize the reinsurer

1. are issued by the ceding insurer or its affiliates; or

2. are not unconditionally available to satisfy the general account obligations of the ceding insurer; or

3. create a reimbursement, indemnification, or other similar obligation on the part of the ceding insurer or any of its affiliates (other than a payment obligation under a derivative contract acquired in the normal course and used to support and hedge liabilities pertaining to the actual risks in the policies ceded pursuant to the reinsurance treaty).

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:651, 22:652, 22:661, 22:753, and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 48:1583 (June 2022).

§18303. Applicability

A. This regulation shall apply to reinsurance treaties that cede liabilities pertaining to covered policies, as that term is defined in §18305, issued by any life insurance company domiciled in this state. This regulation and Regulation 56 shall both apply to such reinsurance treaties, provided that in the event of a direct conflict between the provisions of this