

(Policy number): \_\_\_\_\_

(Policyholder): \_\_\_\_\_

(Printed Name): \_\_\_\_\_

(Signature): \_\_\_\_\_

(Date signed): \_\_\_\_\_

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2, 22:11, 22:1897, and the Administrative Procedure Act, R.S. 49:950, et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 49:494 (March 2023).

## Chapter 193. Regulation Number 128—Louisiana Agriculture Transportation Group Self-Insurance Funds

### §19301. Definitions

A. When used in this regulation, the following words or terms shall have the following meaning.

*Contingent Liability*—the amount that a group self-insurance fund may be obligated to pay in excess of a given fund year's normal premium collected or on hand.

*Department*—the Louisiana Department of Insurance.

*Group Self-Insurance Fund or Fund*—employers who enter into agreements to pool their automobile liabilities for timber transportation vehicles, agriculture transportation vehicles, or a combination of both types of vehicles in accordance with Louisiana Revised Statutes 3:4351.2.

*Members Distribution Payable/Surplus*—assets of a group self-insurance fund in excess of loss reserves, actual and contingent liabilities and loss development reserves in all fund years.

*Surplus*—assets of a group self-insurance fund in excess of loss reserves, actual and contingent liabilities and loss development reserves in all fund years.

AUTHORITY NOTE: Promulgated in accordance with R.S. 3:4351.9(D).

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 49:1411 (August 2023).

### §19303. Excess Insurance or Reinsurance

A. All funds shall maintain specific excess insurance or reinsurance in the amount of at least \$2,000,000 per occurrence and aggregate excess insurance or reinsurance of at least \$2,000,000.

B. The maximum retention allowed for the fund's specific excess policy shall be approved by the department.

1. A fund shall submit a feasibility study prepared by a qualified actuary which analyzes the impact the specific retention on the fund.

2. No fund shall secure a retention which in the commissioner's opinion is not actuarially sound.

3. The commissioner shall deny the use of a retention if he finds that the higher retention will have a significant adverse effect on the financial condition of the fund.

C. The fund shall secure an aggregate limit of at least 20 percent of the annual premium of the fund for the term of the policy. The retention of the aggregate policy shall be subject to the approval of the commissioner.

AUTHORITY NOTE: Promulgated in accordance with R.S. 3:4351.3.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 49:1411 (August 2023), amended LR 50:1853 (December 2024).

### §19305. Financial and Actuarial Reports

A. At inception, each fund shall either:

1. Provide evidence satisfactory to the commissioner that it possesses surplus in excess of \$1,000,000, or

2. Submit a current audited financial statement, audited by an independent certified public accountant, of at least two members showing, at the inception of the fund, a combined net worth of a minimum of \$1,000,000, current financial statements of all other members, a combined ratio of current assets to current liabilities of more than one to one, a combined working capital of an amount establishing financial strength and liquidity of the members to pay normal compensation claims promptly, and showing evidence of the financial ability of the group to meet its obligations. An audited or a financial statement properly certified by an officer, owner, or partner for all members joining the fund after the inception date shall be submitted to the commissioner until such time as an audited financial statement is available for the fund as a whole. Thereafter, the filing of member financial statements with the department is no longer required. In no event shall the cumulative net worth or ratio of the current assets to current liabilities of all members be less than that required in this Subsection.

B. An annual financial statement audited by an independent certified public accountant shall be due annually within six months of the close of the fiscal year of the fund, unless an extension is granted by the commissioner.

C. In lieu of an audited financial statement, the department may require that the fund submit necessary financial documents in a form and manner approved by the department to verify the combined net worth of those members or principals.

D. Actual reviews shall be made by a qualified actuary. Actuarial reports shall be due and filed at the same time as the fund's annual financial statement, except as otherwise provided by the commissioner.

AUTHORITY NOTE: Promulgated in accordance with R.S. 3:4351.3.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 49:1411 (August 2023), amended LR 50:1853 (December 2024).

**§19307. Insolvencies**

A. Pursuant to R.S. 3:4351.9(D)(1), a fund subject to delinquency proceedings shall be governed by the applicable provisions of R.S. 22:731, et seq., pertaining to administrative supervisions, or the applicable provisions of R. S. 22:2001, et seq., pertaining to receivership, that are not inconsistent with the provisions of R. S. 3:4351.1, et seq.

AUTHORITY NOTE: Promulgated in accordance with R.S. 3:4351.9.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 49:1412 (August 2023).

**§19309. Cease and Desist Orders and Other Penalties**

A.1. After notice and opportunity for a hearing, the commissioner may issue an order requiring a person or group to cease and desist from engaging in an act or practice found to be not in compliance with R.S. 3:4351, et seq. or with any rule promulgated by the department pursuant to the Administrative Procedure Act or order or directive issued by the department. Any cease and desist order issued under this Section may include a prohibition against the fund writing any new or renewal business.

2. After notice and opportunity for a hearing, the commissioner may suspend or revoke the certificate of authority of the fund found to be not in compliance with R.S. 3:4351, et seq. or with any rule promulgated by the department pursuant to the Administrative Procedure Act or order or directive issued by the department.

B. Upon the determination that the fund failed to comply with any provision of R.S. 3:4351 et seq., any rule or regulation promulgated by the department, or orders or directed issued by the commissioner, the department may levy a fine of up to \$2,000 for each violation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 3:4351.5.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 49:1409 (August 2023), amended LR 50:1853 (December 2024).

**§19311. Examinations**

A. The commissioner shall examine, not less frequently than once every five years, and at any other time when an examination is necessary in the opinion of the commissioner, all group self-insurance funds established pursuant to R.S. 3:4351 et seq. The reasonable expenses of such examinations shall be paid by the fund being examined.

AUTHORITY NOTE: Promulgated in accordance with R.S. 3:4351.5.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 49:1412 (August 2023).

## **Chapter 195. Regulation 127—The Hurricane Property Insurance Claim Alternate Dispute Resolution Program**

**§19501. Authority**

A. Regulation 127 is promulgated on behalf of the Department of Insurance by the Commissioner of Insurance

pursuant to the authority granted under the Louisiana Insurance Code, R.S. 22:11, and as specifically instructed in accordance with R.S. 22:2657.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2, 22:11, 22:2651, 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 49:900 (May 2023).

**§19503. Purpose**

A. The purpose of Regulation 127 is to establish rules and regulations pertaining to the hurricane mediation program, codified at R.S. 22:2651, et seq., in accordance with Act 591 of the 2022 Regular Session of the Louisiana Legislature.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2, 22:11, 22:2651, 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 49:900 (May 2023).

**§19505. Scope and Applicability**

A. Regulation 127 applies to all property and casualty insurers of residential property situated in a geographical area that is included in a state of emergency declaration issued by the governor of Louisiana in response to a hurricane, named storm, or named windstorm event.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2, 22:11, 22:2651, 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 49:900 (May 2023).

**§19507. Definitions**

A. These terms when used in this Chapter shall have the following meanings.

*Commissioner*—the Louisiana Commissioner of Insurance.

*Department*—the Louisiana Department of Insurance.

*Disclosure Notice*—a written notification issued by insurers to insureds disclosing the existence of the hurricane mediation program as required in R.S. 22:2656.

*Governor*—the governor of the state of Louisiana.

*Hurricane Mediation Program*—the “Hurricane Property Insurance Claim Alternate Dispute Resolution Program” set forth in Chapter 22 of Title 22 of the Louisiana Revised Statutes of 1950, at R.S. 22:2651, et seq.

*Mediation Firm*—an entity or person that has elected to participate in the hurricane mediation program, complies with all requirements set forth in R.S. 22:2654, meets the qualifications set forth in R.S. 9:4106, and is listed as an approved mediation firm on the department’s website.

*Parties*—the insured and insurer, collectively.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2, 22:11, 22:2651, et seq., and the Administrative Procedure Act, R.S. 49:950, et seq.